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Near East/South Asia Report

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ARMENIAN AFFAIRS

KURDS EXPRESS SYMPATHY ON OCCASION OF GENOCIDE ANNIVERSARY

Paris GAMK in Armenian/French 14 May 86 p 4

[Text] On the occasion of the 71st anniversary of the genocide, the Organization of People from Kurdistan in the United States has sent a message to the Armenian people. Here are some excerpts from this message.

The Kurds of Southern California, as members of the oppressed Kurdish nation, share the sorrow of the Armenian people on this 71st anniversary of the genocide of Armenians by the Ottomans.

During the First World War, at a time when people in Russia were fighting czarist dictatorship and when other peoples elsewhere were struggling for their self-determination, the army of the Ottoman Empire (modern-day Turkey) had undertaken a war of assimilation and annihilation against the Armenian people, thus perpetrating the 20th century's first genocide, during which 1 and 1/2 million Armenians perished.

...Kurds feel the injury inflicted on Armenians all the more acutely as they too have been the victims of a genocide perpetrated by the Turkish Army just a decade after the Armenian genocide. More than 700,000 Kurds were liquidated and the same number deported, creating a Kurdish diaspora similar in many respects to the dispersion of the Armenian people.

Sixty years later, Kurds, who make up one-third of the Turkish population, are still deprived of their rights... Unfortunately Armenians are not alone; many people and religious groups are victims of oppression in the world, particularly in the Middle East.

...Kurdistan is a region of considerable strategic importance: divided among four countries, its people are prohibited from expressing themselves in their own language as well as from exercising the most basic, essential national rights. War rages in this region, insurrection in Turkey, war between Iran and Iraq...

...Divided among four countries which give no signs of democracy, Kurds have received no moral or material support from the outside.

Even "human rights" lawyers, particularly in Europe and in the United States, are not prepared to admit that, in addition to the brutal war between Iran and Iraq, another frontal war between the Kurds and the governments which oppress Kurdistan should be added to the picture. A bus or train accident causes more ink to flow in the Western world than popular movements fighting for human rights in Kurdistan. The western powers are apparently opposed to the destabilization of their "democratic and stable" allies.

In the Middle East, Kurds, Armenians and Palestinians are not the only oppressed nations; the dominant countries are the victims of economic and social oppression as well. These peoples must fight together to achieve their objectives and this fight must be supported by all the nations of the world, because we have a common objective, peace and democracy; as long as there is injustice and inequality, there will be instability.

12789/12795
CSO: 4619/51

USSR AGREES TO JALLUD'S MILITARY REQUESTS

GF311150 Abu Dhabi AL-ITTIHAD in Arabic 31 May 86 pp 1, 9

[Excerpt] Moscow, London--Libya and the Soviet Union have signed a program for scientific, political, economic, trade, cultural, and military cooperation until the year 2000. AL-ITTIHAD has learned that the program was signed yesterday by Nikolay Ryzhkov, chairman of the USSR Council of Ministers, and Major 'abd al-Salam Jallud, member of Libya's Revolution Command Council, prior to Jallud's departure from Moscow at the end of a 4-day visit.

AL-ITTIHAD has also learned that the two sides have agreed that a high-level military delegation representing all of the Soviet military sectors would visit Libya in the first part of June.

In a statement to AL-ITTIHAD official sources in Moscow stated that the Soviet leaders have agreed to every request for military aid which Jallud made during his visit, and that Libya would be supplied this year with new consignments of arms and sophisticated equipment to enable Libya to confront more effectively any further U.S. attacks. The weapons include the improved version of SAM-5 missiles Libya had not previously obtained, as well as air-to-air and air-to-surface missiles, gunboats, monitoring and early warning and radar systems, antijamming devices, fighter planes, and M-24 helicopters.

The sources asserted that the Soviet leaders reaffirmed to Jallud their support for Libya in the face of any external aggression that may recur. The Soviet leaders asked the Libyan leaders to review the lessons learned from the confrontation with the United States and to learn from these lessons to improve the performance of the Libyan forces. The Soviet Union recently sent a large military delegation to Libya to study and assess the effectiveness of Soviet weapons and the performance of the Libyan forces during the confrontation with the United States.

/12766
CSO: 4500/138

MOROCCO

CARTOONS DEPICT REACTION TO AMERICAN RAID ON LIBYA

AL-'ALAM Commentary

Rabat AL-'ALAM in Arabic 16, 17 Apr 86

[16 Apr 86 p 8]

[Cartoon]

Key:

1. We strongly condemn American aggression against Libya
   We strongly disapprove of American aggression against Libya
   We strongly criticize American aggression against Libya
   We strongly condemn American aggression against Libya
2. Arab Battle Symphony
3. The League of Arab States

[17 Apr 86 p 2]

[Cartoon]

AL-BAYANE Comment

Rabat AL-BAYANE in French 16 Apr 86 p 1

[Cartoon]

/6091
CSO: 4500/135

KNESSET FOREIGN AFFAIRS COMMITTEE DESCRIBED

Jerusalem THE JERUSALEM POST in English 20 May 86 p 3

[Article by Asher Wallfish]

[Text]

The strength of a Knesset faction in the plenum determines its strength in the various committees. But in two committees, Finance and Foreign Affairs and Defence, additional criteria give extra weight to the large factions, while passing over some of the small factions.

The Foreign Affairs and Defence Committee, with its 26 MKs, is a bulky body insofar as its membership includes just under a fifth of the entire Knesset. Special arrangements apply to its membership; they must sign a declaration of secrecy; when they are unable to attend meetings, their factions cannot send replacements for them, as in other committees; and when a member quits his seat, his replacement can't be temporary – he must serve a minimum of three months.

In these, as in other ways, membership of the Foreign Affairs and Defence Committee can be called "select." It is also eagerly sought after, and occasionally even quarrelled over. It confers prestige.

Significantly, committee representation is open only to factions with more than a certain number of MKs. In each Knesset, this number has been so calculated as to rule out membership for communists (currently in the Democratic Front for Peace and Equality faction, which is based on the Rakah party).

The threshold for committee membership today is set at five MKs, because the DFPE has four. But the big factions circumvent this anti-communist *cordon sanitaire* in favour of certain factions which are too small to qualify otherwise.

Thus the Likud and the Alignment voluntarily gave up committee seats to let MKs from the National Religious Party, Shas, the Citizens Rights Movement – which have four MKs each – and even Morasha – which has only two – become members.

Curiously, the Shinui faction which belongs to the coalition and boasts three MKs, has no members on the committee. But the Likud was more than willing to give a seat up to Morasha's Haim Druckman, because of his special relationship with the Judea and Samaria settlers whom the Likud is so anxious to please.

The Foreign Affairs and Defence Committee can be called an active Knesset body, meeting between eight and 10 times monthly. In the recess it generally meets once a week, unlike most other committees, which stop functioning.

The principal political figures appearing before the committee are the prime minister, defence minister and foreign minister. The IDF's chief of general staff and intelligence chief come regularly. Other senior IDF officers, and the heads of the two non-military security arms, the Mossad and the General Security Service, brief the committee from time to time.

The committee has numerous sub-committees, formed to study issues in greater detail. These include the sub-committees on procurement, intelligence agencies, foreign service, military preparedness, the administered areas, and security legislation.

There is a joint committee, constituted with the Finance Committee, to study the defence budget, and a joint committee, formed together with the Education Committee, to study IDF education programmes and problems.

At least one third of the full committee sit on more than one sub-committee, sometimes two or three if they have special qualifications. A third sit on only one sub-committee, and the rest do not belong to any sub-committee at all.

Committee members who do not belong to any of the sub-committees pressure the chairman to keep the full committee more active and to schedule more briefings. But those on the sub-committees want maximum activity there, where they can increase their influence, deepen their personal involvement, and amass more detailed knowledge.

Cabinet ministers usually prefer to

brief the full committee, because there they can confine themselves to supplying general information, rather than detail. The prime minister, defence minister and foreign minister select their material with care, rarely reporting anything which has not already appeared in the media.

Foreign Affairs and Defence Committee members frequently and rightly complain about this, regarding it as a slight to them and their forum. There have been not a few cases in which the prime minister has reported to the Knesset plenum one day what he reported to the full committee the day before, and what his ministers leaked to senior correspondents the day before that.

Political briefings to the Foreign Affairs and Defence Committee are usually subject to a vicious circle. The members grumble about not getting detailed information. But those giving the briefing explain that they cannot supply more detailed reports, since the material will be leaked to the media by committee members. But these figures nevertheless make sure that the material they have presented reaches correspondents through their own aides. The logic of this, say the aides, is to ensure that leaks are accurate, rather than distorted by the selective bias of committee members, who, they believe, can never be relied upon to keep a secret anyway.

/12828
CSO: 4400/196

ISRAEL

GOVERNMENT SEEN FUNDING WEST BANK POLITICAL ACTIVITIES

Jerusalem THE JERUSALEM POST in English 13 May 86 p 1

[Article by Joshua Brilliant]

[Text]

The Interior Ministry has been effectively funding the political activities of West Bank settlers through the general-purpose funds it provides to the Kiryat Arba local council, the State Comptroller said in his report this week on the Civil Administration of the territories.

The comptroller found that Kiryat Arba spent thousands of dollars in 1983 and 1984 to fund demonstrations, legal protection for settlers and spying on West Bank Arabs and their Israeli sympathizers.

"Every year the Interior Ministry approves a grant to the council to balance its budget," the comptroller noted, and the grant generally provides the bulk of council funds. In 1983, ministry subventions accounted for IS 106,000 of Kiryat Arba's IS 164,000 budget; in 1984, it made up IS 508,000 of the community's IS 874,000 budget.

The council has provided a satisfactory level of educational, health, security and other services, although it dumped its garbage in an unfenced area close to Arab homes, the comptroller said.

The council also paid considerable sums to further the settlers' political goals.

It allocated $10,000 to a Jerusalem lawyer to act on behalf of residents accused of crimes with a "political background," such as vandalizing Arab property in Halhoul. It also contributed IS 250,000 to the council of Jewish settlements in Judea, Samaria and Gaza for legal assistance to residents detained after "reacting" to Arab attacks.

Rabbi Moshe Levinger's long-running one-man demonstration outside the Dehaishe refugee camp south of Bethlehem was aided by a $5,000 council allocation partly designed to publicize his action. This money was allocated over and above other assistance, such as a rented car, food and other services.

The council paid $750 to a private investigating firm to collect information on Bir Zeit University near Ramallah and on a committee that supports it. Some of the committee's members are Israeli citizens, the comptroller noted.

Other expenditures included an outlay of IS 600,000 for 30 mattresses for women holding a sit-in in Jerusalem to press for the release of the Jewish terrorists. One month earlier, in June 1985, the council paid for buses to bring demonstrators to Jerusalem to protest against the release of Arab terrorists.

When the authorities found that the employees of the Kiryat Arba local council owed IS 1.4m. in back taxes, they ordered the council to deduct the tax from the employee's paycheques. The council did, but also voted to increase the workers pay and did not charge them for the back payments made on their behalf to the income-tax authorities.

Arabs, too, benefited from the lax attitude towards collecting taxes. The income-tax authorities demanded that residents submit tax returns, but only 20 per cent of those approached in the Nablus area did so, and even fewer in Ramallah. The comptroller found that only "a few hundred people" actually submit returns. In general, however, revenues have increased, he said.

Vocational schools suffered from overcrowding, with classes numbering 50 to 60 pupils, the comptroller found. There are only three vocational schools in the territories, and they do not meet demands.

Government supervision of those schools has also been unsatisfactory.

CSO: 4400/193

STATUS OF ARMAMENTS AUTHORITY DISPUTED

Jerusalem THE JERUSALEM POST in English 16 May 86 p 20

[Article by Joshua Brilliant]

[Text] The status of Rafael, the Armaments Development Authority, should be determined once and for all, the State Comptroller said. The ongoing argument between Rafael's management and the IDF over Rafael's status has only created an awkward environment for the authority, the comptroller concluded.

Rafael started out as research and development institution, succeeding the Science Corps which had been formed in the first days of the state. The IDF and the Defence Ministry's coordinator of industries and corporations want it to remain an R & D institution, though the coordinator has agreed it can also manufacture top secret and sophisticated devices the comptroller reported.

Branching out into full-scale production however, would require an investment in infrastructure, the coordinator has argued. Since Rafael has an advantage in R & D, its competitors who also sell to the Defence Ministry, would have to develop equal R & D capabilities. In the end the Defence Establishment would foot the bill for this duplication – in the form of more expensive weapons, the coordinator has said.

Rafael's management would like to see the authority become a government company. That would reduce its dependence on the Defence budget, a factor that has become especially important as the defence budget cuts have entailed the dismissal of Rafael staff. Becoming a government enterprise would also give Raphael more flexibility in budgeting, – attracting highly skilled manpower and winning export orders.

The argument between Rafael management and the IDF has been going on for years with the latest effort to resolve it coming when the Defence Ministry set up a committee to present proposals on the matter. That was supposed to happen by September 1, 1984, the comptroller noted, but 11 months after the deadline, when he had completed his study, no such report had been presented. In the meantime, Rafael has gone ahead and begun manufacturing and marketing products, some even for the civilian market.

The comptroller insisted a final decision on the matter must be made so that appropriate changes in procedures and responsibilities between Rafael, the ministry and other bodies can be worked out. Some adaptations have already been made, the comptroller noted, but they are insufficient.

Another section of the report concerns Rafael's competition between Rafael and an unnamed private company in the production of thermal imaging devices used for night-time surveillance.

/9274
CSO: 4400/193

WALD REPORT CRITICIZING IDF LEADS TO HARASSMENT, SCANDAL

Jerusalem THE JERUSALEM POST in English 18 May 86 pp 1, 8

[Article by Hirsh Goodman and Avi Hoffmann]

[Text]

A controversial report on the state of the Israel Defence Forces that a former colonel claims was disregarded by his superiors will soon be brought up in the Knesset Foreign Affairs and Defence Committee, MK Yossi Sarid told *The Jerusalem Post* last night.

Reacting to the public outcry that followed a full disclosure of the report on Israel Television on Friday night, the army spokesman told *The Post* that, contrary to what Aluf Mishne (res.) Emmanuel Wald had claimed, the report had been given due consideration.

Speaking to *The Post* last night, Wald, who was formerly head of long-range planning in the General Staff's planning branch, said his report concluded that the IDF had lost its attack capability and that its defence posture was weakened. There had been steady deterioration in the command structure over the past three wars, reaching a nadir in Lebanon, he said. He further claimed that his 700-page report had been ignored by the IDF general command, even though it had been authorized by it in the first place.

The army spokesman said last night that Chief of General Staff Moshe Levy had not ignored the report. On the contrary, he said, Levy had ordered it included in the IDF's five-year plan to be published in the next few weeks. The report, he said, had been passed on for consideration to the deputy chief of general staff and the head of the planning branch.

The spokesman conceded that the report had not been dealt with by the full general staff forum. One of the reasons for this, *The Post* was told, was that Wald had refused toa gree to a three-hour time limit on discussion of the report.

Sarid said it was "scandalous" that the General Staff had not studied the report. It was especially grave, he added, that the IDF's high command had not obeyed Defence Minister Rabin's instructions to consider the report, since by law the minister oversees the army.

Sarid said that since the army had been derelict in its duty, the report would be brought up for discussion at the committee in the near future.

In protest against the way he felt his report was being handled, Wald, now a lecturer at Tel Aviv University, left his position in the General Staff's planning branch in July 1985.

A year earlier, the IDF considered bringing Wald to trial on suspicion of spying, after he had three times been found entering the private safe of the head of the planning branch without authorization, the army spokesman claimed. The army changed its mind after it became clear that he was not a spy and out of fear that proceedings against him might have been seen as punitive action against his report.

Wald claimed that the espionage allegations ahd come about as a result of IDF harassment, when the negative direction of the report became clear. The army spokesman denied this emphatically.

Among the charges Wald made in the report were that promotions were made for considerations other than excellence of service, and that mediocrity was becoming the norm in the IDF's command structure. The army, Wald claimed, was investing in bureaucracy, rather than in the quality of its fighting forces.

Even though Levi bears the brunt of Wald's criticism that the report has been swept under the carpet, his comments on the IDF deal with the period in which Raphael Eitan was chief of general staff.

/9274
CSO: 4400/193

ISRAEL

SHARON PLANNING INDUSTRIAL PARK NEAR HEBRON

Jerusalem THE JERUSALEM POST in English 20 May 86 p 1

[Article by Joshua Brilliant]

[Text]

DIR RAZAH. – The long convoy of sedans arrived at noon yesterday at this West Bank village of a few grey homes, two barking dogs and several black goats.

Border Police and plainclothes bodyguards took up their positions as Ariel Sharon, the minister of industry, led aides to a pile of rocks and studied a multi-coloured plan for a 600-dunam area which is to include an industrial park here in the Hebron Hills.

"How soon can you start?" he asked an aide. The aide said he had to study the plan, and later told *The Jerusalem Post* he had seen it then for the first time. But Sharon pressed. "I want you to close the area within a few weeks. Then get to work."

Questioned by *The Post* later, Sharon brushed aside any suggestion that the plan contradicted the coalition agreement which limits the number of settlements which may be established. "There is no connection. Are we putting up a settlement? This is an industrial area to serve settlements."

Bringing his thumb and index finger close to one another, he said the paragraph in the coalition agreement "is this long." Clearly Sharon saw it as no match for the significance of this place in Israel's history.

The minister's whirlwind visit to Hebron, to several Jewish settlements and to this village to the south was a vivid embodiment of his reputation as a "bulldozer." He seemed impatient of lengthy debates or arguments over budgets, and constantly pressed ministry officials and settlers to get to work and worry about the red tape later.

"Don't make a final, detailed plan. Just plan one section and implement it," he told his aides about the industrial zone to rise at Dir Razah.

If Sharon has his way, work will start on this rocky hill and in several other areas near Hebron within a few weeks – even if the budget is too small to cover all the projects.

The projects he approved yesterday were industrial parks in Dir Razah and on a hill north of Kiryat Arba.

The first step will be to open roads to the area and around the lands chosen for the zones, thereby marking them as out of bounds for Arab farmers. All lands were government-owned, he said.

Sharon wants the roads first, because such demarcation is fairly cheap and the envisaged Jewish presence will, he believes, be much more effective in keeping the Palestinians away than fencing off an area would be.

North of Kiryat Arba, the settlers want to put up two computer plants and a diamond workshop. Sharon has also promised aid to the owner of the Hamegader company, to expand his barbed-wire plant at Kiryat Arba.

At Omarim, Udi Rabinowitz complained that it took settlers three hours to drive to work. Two entrepreneurs had been interested in opening plants there, but the matter had been dropped because the money had not been allocated for industrial infrastructure.

Sharon, sitting at the head table munching crackers, declared he would not wait for the financial snags to be cleared up. "We'll put up the industrial structures without delay," he stated, adding he would get the necessary commitments from the Treasury.

In one of the grey, drab homes, a group of Arabs watched the entourage return to their cars. Kamal Osman Abd el-Aziz told *The Post* his family had lived in Dir Razah for 10 or 11 generations. He said that when Israelis had come to inspect the area, the Arabs had immediately gone to court. "The Israelis then said they didn't want to build here and would inform us if they did plan to do so." No such intention has been communicated, he said.

/12828
CSO: 4400/196

SUMMER TIME BEGINS; RELIGIOUS OPPOSITION NOTED

Accommodation Made for Religious

Jerusalem THE JERUSALEM POST in English 18 May 86 p 1

[Text]

Summer time began in Israel at midnight last night, when clocks were moved forward one hour.

Clocks will be put back an hour on September 6, a date chosen primarily to accommodate Orthodox Sephardim who begin saying the penitential *slihot* prayers before dawn during the month before Rosh Hashana.

Israel time will now be three hours later than Greenwich Mean Time and seven hours later than Daylight Savings Time on the easternmost border of the U.S.

Religious Keeping Tabs on Offenders

Jerusalem THE JERUSALEM POST in English 18 May 86 p 3

[Article by Haim Shapiro]

[Text]

In Jerusalem's Mahane Yehuda market, the vendors call them the Shabbat mafia, the black clad ultra-Orthodox men attended by myriads of youngsters, who wait around on Friday afternoon, checking their watches to make sure that the stalls are all closed by Shabbat.

Similar groups are on hand on Saturday evening in the city's Ben Yehuda pedestrian mall and at the box offices of the cinemas, to make sure that businesses don't open before the Shabbat ends. With the inauguration of summer time last night, the pressure in the market on Friday afternoon may be expected to ease off, while that on Saturday night may be expected to grow.

In fact, according to many religious officials, the late end to Shabbat on Saturday night, with accompanying temptations for cafes, cinemas and other places of entertainment to open their doors early, is the real reason for religious opposition to summer time. This additional assault on the sanctity of the sabbath comes at a time when in any case religious circles feel that there have been unprecedented inroads in this area.

In a front page article last week *Erev Shabbat*, the ultra-Orthodox weekly, reports that a national task force, made up of rabbis from divergent circles, is being organized to fight this onslaught on Shabbat observance in public. The list of Shabbat desecrations includes even a new shopping centre in non-Jewish Bethlehem, which it is felt will tempt Jewish Jerusalemites to shop on Saturdays.

In Haifa, not only have a number of cinemas begun Friday evening showings, but nearby eating places have also opened, to take advantage of the Friday night crowds. In Tel Aviv, an additional cinema, on Rehov Ibn Gvirol has begun Shabbat showings. The paper also notes that Tel Aviv Mayor Shlomo Lahat is holding meetings of his new Liberal Centre party in his office in the municipality on the sabbath. Nor has the issue of the Shabbat operation of Haifa's new cablecar been settled.

In Petah Tikva, not only are there regular Friday night showings at the controversial Heichal Cinema, together with the demonstrations by the religious, but a nearby cafe has also opened its doors. Both the cinema and the cafe start doing business long before Shabbat ends, the paper notes. In Ashdod, a new swimming pool is due to open on Shabbat, close to the town's religious neighbourhood.

And in Bethlehem, near Rachel's Tomb, there is a new shopping centre, specializing in non-kosher meat, which attracts thousands of Jerusalem Jews every Shabbat, the paper says. The centre is under joint Jewish-Arab ownership, the paper claims.

/9274
CSO: 4400/193

IMMIGRATION FIGURES SAID LOWEST IN HISTORY

Jerusalem THE JERUSALEM POST in English 19 May 86 pp 1, 7

[Article by Moshe Kohn]

[Text]

Absorption Minister Ya'acov Tsur and Jewish Agency Aliya Department head Haim Aharon yesterday agreed that the level of Jewish immigration was disastrous, with all the indications being that this year's aliya figure would be the lowest in the history of the state.

They were also – in separate news conferences at Beit Agron in Jerusalem – of one mind in placing the blame for the situation on each other's agencies.

Tsur said about 2,800 newcomers had arrived in the first four months of this year. In the evening Aharon gave a figure of 2,627. Both referred to the increase in the number of Israelis reported by the Central Bureau of Statistics to have last year become presumed emigres. These totalled 15,3000, up 47 per cent from the 10,400 in 1984, and 8,600 in 1983.

The previous nadir in aliya was last year, when 11,298 new immigrants arrived, including 2,035 Ethiopian Jews. During January-April this year, 656 came from Latin America, 558 from Western Europe, 521 from North America, 385 from Eastern Europe, 193 from South Africa, and 314 from other places. Tsur noted that in all of 1985 only 250 immigrants had come from South Africa.

The Central Bureau of Statistics reported in December that 330,000 Israelis were living abroad.

Tsur told his news conference that he "fully justified" the State Comptroller's assessment, made public last week, that the country's absorption network had not been geared to receive the thousands of Ethiopian Jews who arrived in Operation Moses. "That," he said, "was precisely the situation I found" when he became absorption minister in September 1984.

Concerning his involvement in promoting aliya, which is the purview of the Jewish Agency Aliya Department under the government-Jewish Agency Covenant, Tsur said: "There is no reason that the state should not be involved" in this area. He implied a number of times that the Aliya Department was not doing its job properly.

He said he would propose to the Jewish Agency Assembly in Jerusalem next month the establishment of a supreme council on aliya and absorption. The basis would be exclusive Jewish Agency responsibility for potential olim abroad, and exclusive Absorption Ministry responsibility the moment the newcomers landed in Israel.

That – Aharon told his news conference later – was exactly the current situation, except when newcomers went to absorption centres. "In that case," Aharon explained, "We give them a roof over their heads and a monthly subsistence allowance."

Tsur said that the conditions did not exist for proper coordination with the Jewish Agency. Aharon, in turn, said that "there cannot be a partnership when one side always wants to have its own way. In general, I suggest that the absorption minister stick to absorption. We now have 3,000-4,000 newcomer families here without any immediate prospects of permanent housing for them. But if Tsur wants to change the Covenant, I am ready to discuss that – including the abolition of the Absorption Ministry, which after all serves as no more than a go-between."

One bright note for some olim at yesterday's news conferences was Tsur's announcement that a special committee was reconsidering cases of newcomers who did not qualify for the increased governmental housing assistance announced last week because they had signed contracts before May 1.

/12828
CSO: 4400/194

FALASHAS SAID TO BE LIVING IN GHETTOS

Jerusalem THE JERUSALEM POST in English 20 May 86 p 3

[Article by Lea Levavi]

[Text]

TEL AVIV. – Ethiopians are being concentrated in potential "ghettos," despite a master plan which calls for their integration within the population, leaders of the Public Council for Ethiopian Jewry told a press conference here yesterday in the wake of a critical State Comptroller's report on the subject.

"The comptroller complained about mayors who refused to connect water and electricity to Ethiopian immigrants' housing. But they didn't do it because they have something against Ethiopian immigrants," explained council chairman Yael Rom.

"It was the only way left for them to warn the authorities that they cannot handle more immigrants, because their towns cannot provide the special services, such as social work and tutoring, which these newcomers need," Rom insisted.

Tamar Eshel, formerly chairman of the council and now chairman of its board, said the comptroller's figures of 750 Ethiopian immigrants having been placed in jobs should not be considered as conclusive. These were unskilled jobs, which the immigrants could lose if business declined or if the authorities ceased funding the jobs.

All council spokesmen agreed that immigrants from Ethiopia were greatly concerned about the fate of their relatives in Ethiopia, but said that the council was barred from discussing rescue efforts.

Rom added that the council had pressed for more effective assistance for one-parent families, which comprise almost half the families with children, including arranging divorces for separated couples and support services for single parents. The Jewish Agency Aliya Department had agreed to work on the problem, she said, but nothing had been done yet for lack of money.

/12828
CSO: 4400/196

BRIEFS

MORDEKHAY HOD NEW IAI HEAD--Former Air Force commander, Aluf (res.) Mordechai Hod is to be appointed chairman of the board of Israel Aircraft Industries, The Jersalem Post has learned. He will take over from another former IAF head, Aluf (res.) David Ivri, who has been named director-general of the Defence Ministry. Hod's appointment will be officially announced in a few days once his nomination to the IAI board has been formally approved by Defence Minister Rabin, whose ministry controls IAI, the country's largest industrial enterprise. IAI accounted for $1 billion in sales last year. Hod was number four on Ezer Weizman's Yahad Party Knesset list but didn't make it to the legislature since the party only won three seats. When Weizman aligned his party with Labour in the national unity government, one of the commitments he extracted from Premier Peres was that Hod would be appointed IAI chairman. Hod, a former managing director of El Al, is an agent and consultant for Northrop, the U.S. aerospace company. In anticipation of his appointment to IAI, Hod is to divest himself of his connections with Northrop and of other business interests. [Text][Jerusalem THE JERUSALEM POST in English 19 May 86 p 2]/12828

CSO: 4400/194

BRIEFS

POPULATION STATISTICS--Kuwait's population is expected to exceed 2.1 million by 1990, government sources told AL-QABAS newspaper yesterday. They predicted that the next census would show that Kuwaitis numbered about 822,000 and non-Kuwaitis about 1.3 million. They said that there were currently 15,434 Kuwaitis and 285,782 non-Kuwaitis employed by banks, exchange companies and other investment firms. They said that there were more than 2.1 million residential apartments occupied by 84,518 Kuwaiti and 141,882 non-Kuwaiti families. [Text] [Kuwait ARAB TIMES in English 25 May 86 p 3 GF] /6662

CSO: 4400/198

SAUDI ARABIA

BRIEFS

PRISONERS RELEASED IN RAMADAN--An official source at the Ministry of Interior has stated that His Majesty King Fahd ibn 'Abd al-'Aziz issued instructions to release prisoners who committed offenses against the government as of the beginning of Ramadan. These offenses include light offenses, money defaults, those who have spent a long time in prison, and traffic offenses, with the exception of traffic offenses committed under the influence of alcohol and drugs or those who do not carry driving licenses. The offenses did not include serious crimes and offenses committed against religion. Committees were formed in order to study the cases and so far more than 6,000 prisoners have been released. [Summary] [Riyadh Domestic Service in Arabic 0600 GMT 7 Jun 86 GF] /6662

PRISONERS RELEASED--Al-Dammam, 8 Jun 86 (SPA)--Upon the instructions of His Majesty King Fahd ibn 'Abd al-'Aziz to cover the loans of the defaulters who are citizens of the Kingdom, and to release them before 'id al-Fitr, His Royal Highness Prince Muhammad ibn Fahd ibn 'abd al-'Aziz, amir of the eastern region, issued an order to release 50 prisoners. [Summary] [Riyadh SPA in Arabic 1410 GMT 8 Jun 86 GF] /6662

CSO: 4400/198

UNITED ARAB EMIRATES

BRIEFS

FORGED U.S. DOLLARS--Abu Dhabi, 27 May (WAKH)--'Abd al-Malik al-Hamar, the governor of the UAE Central Bank, has warned all banks and exchange houses in the UAE that there are forged U.S. dollars in the UAE. He stated that most of the forged dollar notes are in $20 and $100 denominations. He noted that most of the illegal mints that print the forged dollars are located in the United States. [Summary] [Manama WAKH in Arabic 1050 GMT 27 May 86 GF] /6662

CSO: 4400/198

BANGLADESH

PAPERS REPORT REACTION, EVENTS SURROUNDING PREELECTION

Hasina Preelection Speech

Dhaka THE NEW NATION in English 7 May 86 pp 1, 8

[Text]

Awami League President and Eight-party Alliance leader Sheikh Hasina yesterday claimed her party would get two-third seats of the 300-seat parliament if polls of today are held free and fair.

Talking to the members of the press at her paternal residence at Road No.32 of Dhanmandi residential area yesterday noon Sheikh Hasina said she had an idea that her party would get 75 per cent of the votes but after her cross-country tour she was convinced that her party would get 85 to 90 per cent of the total votes cast which she said usually involved 50 to 56 per cent of the enlisted voters.

Sheikh Hasina, however, reiterated her apprehension that the elections might be rigged. In this connection referred to the speech by President Ershad at the Jatiya Party meet in which the asked JP men to ensure majority seat in the parliament and his open publicity for Jatiya Party candidates in the outlying areas and said all these suggest that the polls would not be free and fair.

She said, they had evidences that the Jatiya Party people were mobilizing musclemen and anti-social elements for creating blockade to the smooth functioning of their (8-party) polling agents, casting votes by their people especially of the minority communities.

She also accused the government of deploying armed forces to the interior areas and said this would facilitate the massive rigging of the polls. She said despite clear commitments about maintaining neutrality in the polls, the goverament was using administrative machinery in favour of the Jatiya Party candidates.

She said they had information that on duty election officials would be asked to announce a result pre fixed by the government leaving the responsibility of filling the ballot boxes with the government itself. In this connection she referred to the holding of the referendum in which she said no more than three per cent people cast their votes but official results showed that over 90 per cent voters cast their votes in favour of General Ershad.

When asked if they had made any mistake by deciding to participate in the polls in view of his apprehension of massing rigging and if those who kept off the race were right, Sheikh Hasina said they had been in the democratic movement for the last three and a half years. She said throughout this period they held meetings, processions, rallies and used other form of demonstrations, now they were participating in the polls taking it as a part of the movement. Sheikh Hasina, however, admitted that all who were participating in and who were keeping out of the race were struggling for democracy and added she thought hers was the correct course while those who kept off believed theirs was. She, however, said that the main point of the five-point demand was election. She said they had met the people all over the country and they knew what people really wanted.

Ween asked whether they would cocperate with the government if the were voted to Power she said, the parliament would decide on that but no question of cooperation with the martial law authorities.

When asked how she could ensure lifting of martial law without cooperating with the martial law authorities she avoided the question and said with a smile 'Let the results be declared first.

When asked whether she would ask the people to revolt in filipino style Sheikh Hasina promptly said : We needn't go to Philippines. Our people had a long history of revolts. But this time, she said, the people would not accept any fabricated results and said in case of any such imposed results the they would forge a movement taking the people along with them.

When asked whether they would accept the Jatiya Party victory or not, she said, they believed in democracy and would accept a Jatiya Party government if they werevoted to power by the people in a free and fair election. She, however, quickly added she had recently toured the remote areas of the country and had no such reports and added that even a kid would not believe it.

DEMANDS KHALEDAS RELEASE

When asked what was here comments about Begum Khaleda Zia's house arrest she said, she

came to know it through the newspapers and tried to contact her over telephone but could not get her over telephone. She said she condemned it if was true and demanded Kealeda Zia's immediate release saying everybody has the democratic and fundamental right to go the way he or she believed proper.

The press conference was conducted by Arshaduzzaman, former assistant secretary general of the OIC who recently joined Awami League. It was also attended by Syeda Zohra Tajuddin, vice - president of Awami League, Saifuddin Ahmad Manik, member of the secretariat of the Communist Party of Bangladesh, Barrister Showkat Ali Khan, Awami League chief election agent, Barrister Amirul Islam, spokesman of Awami Deague, Dr. Kamal Hossain, a presidium member of Awami League and himself a candidate from two city constituencies and Mujahidul Islam Selim of the CPB.

Two British MPs Lord Annels and Mr Brandon Bravo and a BBC journalist who came to the city at the invitation of the independent watchdog committee named Peoples Commission for Free Eelections with Justice K. M. Sobhan as the head were present at the press conference.

Sheikh Hasina she was overwhelmed with the response she got from the people as the daughter of Bangabandhu Sheikh Mujibur Rahman and president of Awami League and as a leader of the eight-party alliance.

She said, the mass uprising of this year could only be compared with that of 1970.

She said, she and her party believed in the people's mandate as the key to power and said, for this, they were participating in the election to end the military rule once for all.

Sheikh Hasina welcomed the formation of the Peoples commission in its effort to perform the function as an independent watchdog body and also welcomed the two British Mp's tour to the country. She also called upon the pressmen to remain alert against rigging and to depict any such incident through their writings.

Immediately after the press conference a notification of the 'Peoples Commission said they would hold a press conference on May 8 evening.

At a stage of the press conference a section of the Awami League workers misbehaved with the pressmen while distributing papers among the newsmen attending the press conference.

Hasina Press Conference

Dhaka THE NEW NATION in English 8 May 86 pp 1, 8

[Text]

Awami League chief and leader of the Eight-Party Alliance Sheikh Hasina Wazed has blamed the government and the Jatiya Party for "widespread violence and massive rigging" in yesterday's Jatiya Sangsad election in different parts of the country.

The massive rigging in the election could be described as a "ballot dacoity," she said and claimed that her party had got the mandate of the people with which it would go ahead for establishment of democracy in the country.

Addressing an impromtu press conference at the party central office soon after the end of voting, she claimed that at least 24 workers and supporters of Awami League were killed including two in the city and over 500 were injured, many of them critically, in the poll violence.

She said they had received reports of killing of their party workers from Gopalganj, Faridpur, Khulna, Taugail, Chittagong and Kaliganj till yesterday afternoon. In the city, one person was killed at Baxmibazar and another named Delwar who was a polling agent, was shot dead at Mirpur, she said.

She claimed that many of her party workers and supporters were injured in Jessore, Khulna, Chouddagram and Barguna. She, however, could not give the exact number of the injured in these areas. She said information was reaching them continuously from different parts of the country.

Sheikh Hasina alleged that Awami League agents were driven out of many polling centres. In this connection, she said in the capital city alone, the polling agents of her party were forced out from 80 polling centres.

Sheikh Hasina, who contested the election from two constituencies in Dhaka city and another two constituencies of Gopalganj, said she could not cast her vote at the Dhanmandi centre because of what she called terror unleashed by her rival candidate. She said she was also not allowed to enter into Jagannath College centre within her constituency.

It may be mentioned that the Awami League chief claimed at a press conference on Tuesday that her party would secure a two third majority in the election and threatened that if any attempt was made to rig the poll in favour of Jatiya Party, the people would not accept the election results and would gherao (encircle) the parliament.

Hasina said President Ershad flew to Rangpur yesterday and himself urged the people to vote for Jatiya Party candidates. She said in many places including Bhola officials directly influenced the people to cast their vote in favour of Jatiya Party. She referred to the Jatiya Party workers and supporters and said the election would have been free and fair had they not created an undesirable situation in different areas yesterday.

The Awami League chief said they took part in the election considering it as a part of the movement and to expose the real character of the regime she said we are fighting for restoration of democracy, establishment of a truly representative government in the country and an end to martial law and added that their movement would continue to that end.

She said "we want the army to go back to barrack. We have got the peoples mandate and it is now proved that the people are with us. In this connection she said the

main goal of the present regime was to retain power captured by forming a political party and holding an election of the kind we saw now. She said this process began in Bangladesh with the killing of Bangabandhu Sheikh Mujibur Rahman in 1975.

When asked whether she did not cast her vote or could not Sheikh Hasina said "I didn't and couldn't, both". Replying to another question she said the rigging was done by both the government and the Jatiya Party. She however, apprehended much earlier that the election might be rigged and at Tuesday's press conference referred to the speech of President Ershad in which the Jatiya Party men were asked to ensure majority seat in parliament.

Asked why did they take part in the election despite knowing that it might be rigged, Sheikh Hasina said, we took our participation in the poll as part of the movement. When questioned what would be the next course of action of her party and the Eight-Party Alliance, she said we would decide about that consulting leaders of Awami League and other componets of the alliance after the election results are announced.

The Awami League chief further said that they could not accept the election results of those areas in the country where the ballot dacoity was committed when asked whether they would reject the election results on the basis of the charges of rigging brought about by her. Hasina told another questioner "we did not need to commit dacoity as we have mass support" while asked whether election was rigged in favour of her party.

The press conference was attended among others by Awami League leaders Dr. Kamal Hossain, Syeda Zohra Tajuddin, Mr Amirul Islam and Motia Chowdhury.

Earlier, Awami League candidate Dr Firoza Begum alleged that massive fake votes were cast in different polling centres in her constituency from where her polling agents were forced out. She said she lodged a formal complaint with the election commission and the Deputy Commissioner of Dhaka and asked him to suspend election in her constituency.

Dr. Firoza who came to Jatiya Press Club shortly after mid day told an unscheduled press conference that no voting arrangement was made for more than 300 male voters belonging to 235 to 395 holding at the Dhaka College centre. Dr. Firoza who contested the election from Dhanmondi-Mohammadpur area drew the attention of the Election Commissioner in this regard and subsequently the arrangement was made at about 12-30 p.m.

Jamaat-e-Islam Leader

Dhaka THE NEW NATION in English 8 May 86 pp 1, 8

[Text]

Mr Abbas Ali Khan, acting Amcer of Jamaat-e-Islam, Bangladesh announced his 'withdrawal from the election race following what he said "unprecedented terrorism and rigging."

Mr Khan came to the National Press Club early in the afternoon and informed newsmen to his decision as he himself was shocked and surprised to see 'highhandedness and holiganism' at different polling centres in the city.

Later in the evening, the Jamaat leader told a press conference "the tragic part of the massive rigging is that no assistance was available from the administration to stop such illegal activities despite repeated requests."

He said he also complained in writing to the Election Commission and the returning officers about the situation asking them to declare the elections be declared 'null and void.'

Citing examples of rigging, the Jamaat Chief who was contesting from Dhaka city-6 constituency, said the Jatiyo Party candidate himsef led the operation and his polling agents were forced to leave election booths by armed holigans at different centres.

Similar incidents of terrorism and rigging had been reported from other consituencies in Khulna Narayangonj Chittagon Satkhira, Bakergonj Nilphamari Chandpur, Pabna, Sylhet, Jhenaidah, Faridpur, Sherpur, Magura, Bogra, Jessore, he said

He told a questioner BNP's stand for boycotting the polls was "correct".

Replying to a question Mr Khan said he and his party had visualised earlier such unfairness and rigging in the elections under the present government but went to the polls to prove that their apprehensions were correct.

Mr Khan said his party Central Working Committee will review the situation and take next course of action at its meeting on May 10.

BSS adds: Jamaat-E Islami candidate for 'Jatiyo Sanghad election Afsaruddin Chowdhury said inChittagong yesterday afternoon that he had withdrawn his candidature as according to him there was rigging.

He was addressing a press conference at the Press Club. The Jamaat candidate was contesting from Chittagong-9 (Kotwali and part of Panchalaish) constituency.

Awami League to Parliament

Dhaka THE NEW NATION in English 9 May 86 p 1

[Text]

Awami League chief Sheikh Hasina has said her party would attend parliament when it goes into session.

Asked whether she would sit in parliament before fresh polls she had asked for those constituencies where there had been rigging and violence, she said "yes, of course. Why not ?"

She, however, hastened to add "we participated in the polls as part of movement for attending its session with a view to ending martial law". She said, she was hopeful about lifting of martial law. "We have tried through elections and movement to end martial law during the last eleven years. Sheikh Hasina was talking to newsmen at a regular briefing held at the party central office yesterday evening. Dr Kamal Hossain who lost in two constituencies had fought was beside her with other leaders.

The Awami League chief said her party already demanded re-elect in 50 seats at least for what she described as "ballot dacoity" committed by the government-backed Jatiy Party candidates and supporters. She could not specify the exact number of seats where rigging took place but said they would have to wait till complete results were officially announced.

She said in announcing the results, the government resorted to a "media coup" by manipulating and manoeuvering the results, before announcements were made.

The state media like radio ohd television are anouncing the results under instructions from the government. She remarked.

Sheikh Hasina expressed her surprise why the results of the city seats were not being announced though results coming from remote area like Chittagong Hill-tracts were announced. She said leading candidates were being declared defeated as happened in case of Bogra district.

She claimed if the elections were free and fair, her party would emerge victorious with two-third majority and the ministers who were already declared elected would have lost their deposit money.

Workers' Party, Jatiya Janata

Dhaka THE BANGLADESH OBSERVER in English 9 May 86 pp 1, 8

[Text]

Mr. Abul Bashar and Mr. Rashed Khan Menon, President and General Secretary respectively of Bangladesher Workers Party in a statement on Thursday called upon the Government to declare the Wednesday's election to the Parliament null and void as it was held under coercion and according to a blue print. They called for holding election to the Parliament again on the basis of five-point demand and under a Neutral caretaker Government.

They said that as predicted earlier the Wednesday's election was held amid terrorism violence, hijacking of ballot box ex and rigging. They said that muscle strength of hired goondas of the candidates featured the Wednesday's election. Under this situation, the rigging of votes did not surprise anyone. They said simultaneously, the abence of resistance against those who went to polls and accepted it as a challenge to justify their participation did not come as a little surprise to the people.

Reiterating their stand the Workers Party leaders said that election under a Martial Law Government would never be free and fair. The Parliament to be formed through this election would function in favour of the Martial Law Government and be forced to legalise all deeds including seizure of power by this Government.

BNP Demands

Dhaka THE BANGLADESH OBSERVER in English 10 May 86 pp 1, 8

[Text]

Bangladesh Nationalist Party (BNP) on Friday demanded declaration of the election results null and void and holding of fresh elections on the basis of five-point demand under a neutral government. Unless the demands are met BNP would continu its five-point movement programme, it added.

Mr S.A. Bari AT Vice-Chairman of the party addressing a crowded Press conference at the National Press Club said 'our apprehension of rigging, widespread violence and manipu-

lation with election results have come true" The people have rejected this elections in response to BNP's call which has been proved by poor turn out, he observed.

BNP wants election which must be under a neutral non-partisan government, he said, without participation of BNP which reprents more than 80 per cent people there cannot be any meaningful ellection, he said.

K.M. Obaidur Rahman reply ing to questions said that the future programme of their party would be announced soon after discussion with the seven-party alliance and five-party of the former 15-party alliance. He claim ed that over 1000 supporters of their party including party Chief Begum Khaleda Zia and other leaders have been either detained or arrested.

Hundreds of supporters and party leaders have been intimida ted harassed and tortured he alleged. He said that the turn out of voters was not more than 10 per cent which has been sub stantiated by the international and also national Press.

He told another questioner that the election was farcical as without BNP which had 250 seats out of 330 seats in the last Sangsad there cannot be meaningful elec. tion. We have apprehended bal. lot piracy violence etc. with the election under President Ershad's government he said. Our anticipation has come true he told another questioner.

The decision of BNP on the question of election issue was 'correct' he said.

BNP leaders present at the Press conference also demanded release of all political detenus including withdrawal of intern. ment of party Chief Begum Zia

Kazi Golam Mahbub Mrs. Shahina Khan Begum Farida Hasan, Barrister Rafiqul Islam Mr. A. Matin Chowdhury Mr Julmat Ali Khan Mr. Fazlur Rah man Patal, Sramik Dal leader Mr. Nazrul Islam and Mr. Sha hidul Huq Jamal were among others present at the Press con ference .

K.M. Obaidur Rahman replying to newsmen claimed that Begum Zia was neither allowed to come out of her house nor her relatives including ailing mother allowed to meet her.

He demanded fresh announcement of election scheduled on five-point basis where all parties could participate to make the election meaningful.

MICROPHONE USE REFUSED

Meanwhile, a meeting of the Bangladesh Nationalist Party (BNP) held on Friday at its central office expressed strong resentment at the government refusal to use microphone at the party's public meeting which was due to be held at Baitul Mukarram square today (Saturday) afternoon.

Presided over by Mr. S.A. Bari A.T the meeting decided to hold a meeting of the party at 3 p.m. today (Saturday) at its city office. The meeting will voi ce its protest against the arrest of party leaders and workers and harassment to the family members of some party leaders

Roundup of Demands

Dhaka THE BANGLADESH OBSERVER in English 11 May 86 pp 1, 8

[Text]

All political parties, those who participated in the polls and those who stayed away from it are demanding fresh elections by nullifying the one held on May 7.

Even the two major contestants Jatiya Party and the Awami League have demanded fresh elections, Jatiya Party in 30 and Awami League in 100 constituencies.

They have charged each other of resorting to fraud in the May 7 elections. The BNP, the other major party not contesting the election, has demanded fresh election on the basis of five-point demands.

Mr. Abul Basher and Mr. Rashed Khan Menon, President and General Secretary of Bangladesh Workers Party in a joint Press statement demanded elec tions on the basis of five-point demand nullifying the elections on May 7.

They termed the election as farcical one and elections were held under the control of muscelmen at the polling stations. They remarked that it was made clear that elections were held under a blue-print and that after the elections there had been burgaining with the announcement of the elections results.

Jatiya Janata Party held a meeting in its office on Saturday. The convener of the party presided.

The meeting urged for the null and void of May 7 polls and demanded fresh free and fair elections. They alleged that due to vote piracy the people had already rejected the elections on May 7 last

Sramik Krishak Samajbadi Dal alleged widespread rigging and violence in the polls. The party demanded the release of all political detenus including Begum Khaleda Zia, Tipu Biswas, Mr. A.F.M Mahbubul Huq

The Central Students Action Committee in a Press statement said that blue-print of the Martial Law Government was implemented with the holding of May 7 elections. The Press state ment said that all professional groups including 15 and seven party alliances had been demand ing the withdrawal of Martial Law a free, fair elections under a neutral government for the last four years.

The General Secretary of the Central Committee of Workers' Party of Bangladesh Mr. Nazrul Islam, Al-Haj Jamir Ali, Secre tary General of Bangladesh Mus lim League, Bangladesh Chhatra League in their separate Press sta tement, demanded a fresh elec tions. In their statements they termed the elections as farcical and called planned conspiracy to change the election results.

JAMAAT

Jamaat.e-Islami Bangladesh on Saturday demanded declaration of the election results null and void as there was "massive and unprecendented ballot piracy" A Fresh national election should be held under a neutral care taker government where the people's mandate will be reflect ed, it added.

Mr. Abul Kalam Yusuf, Secretary of the party said this addressing a Press conference at the National Press Club. If our demands are not met we will launch movement against the "autocratic government" with the pro-people and democratic parties, Mr. Yusuf said.

Mr. Yusuf further said that the turn out of voters in most places was far below 20—25 per cent and ballot piracy was done together by Jatiya Party and Awami League.

Replying to questions of newsmen he said that the apprehensions of ballot piracy and widespred violence of BNP chief Begum Zia "has come true". The movement programme of his party will be announced after discussions with other democratic parties, he said.

Asked if Jamaat-e, candidates who have won the election would participate in the Parliament he said, "unless our demand for fresh election is accepted, they will join the Parliament for taking ahead the movement inside the Parliament. Mr. Yusuf demanded a categorical explanation from General Ershad, Election Commission and the police as to how polling centres could have been occupied by supporters of Jatiya Party and others when 2,50,000 members of the law enforcing agencies guarded them. The Press reports and incidents substantiate that these happened with the consent of the government, he alleged.

Citing examples of what he termed ballot piracy he mentioned as many as 23 constituencies including Jhenidha—1, Bakerganj—1, Chandpur—4, Narayanganj—1; Satkhira—3, Gaibandha—1, Rajshahi—2, Chittagong—1: Khulna—3, Feni—2 and Gazipur—3.

Mr. Yusuf said that the ballot piracy of this year has put the entire nation to shame. In the interest of the nation this government should resign immediately, he demanded.

He stressed the need for launching a united movement against what he described autocratic Government for restoration of democracy in the country.

Asked whether his party would join simultaneous movement programme with 7-party Alliance he said, "situation and future will determine that"..

TOAHA

Bangladesher Shamyabadi Dal (Toaha) on Saturday demanded fresh election by declaraing the election results null and void The fresh election should be held under an interim neutral government aiming at restoration of democracy. It added.

Mr. M Toaha chief of the party addressing a Press conference at the National Press Club further said that 'some of the leaders in 15—party Alliance and seven—party Alliance were victims of conspiracy of the military government."

'We have to own the responsibility of stabbing the movement of the 22 parties against the present Government, 'he said Some of us have done adventurism in the name of election while others have been trapped in the conspiracy of a blueprint against democracy' he observed. Asked if he would support the programme of hartal call given by Sheikh Hasina Chief of Awami League and eight-party Alliance, he said' We support it against massive ballot piracy'.

He further noted that the turn out of voters in his 'own' constituency Ramgati would not exceed more than 20 per cent.

Asked as a component of the eight-party Alliance how he could demand fresh elections throughout the country when Sheikh Hasina demanded fresh election only for some selected constituencies he said 'She has given her own views". hs

Mr. M. Toaha narrating his experiences of violence, ballot piracy and violence alleged that his rival candidate Mr. A SM. Rab of JSD has unleashed reign of terror with the silent consent of the Government. The polling agents of his party were even asked by Presiding Officers to leave the polling centres in the event of attacks, he said.

Mr M A Huq a former Minister in Ershad Government who lost the election complained of widespreed rigging and said how prophetic was Khaleda Zia about the outcome of the election

SOLAIMAN

Mr. A. SM Solaiman Chairman. Islami Jukta Front on Saturday demanded rejection of the results of election held on May 7 and holding of fresh election. The elections held on May 7 could not reflect the people's mandate as crores of people could not exercise their francise rights, he added.

Addressing a Press conference at the National Press Club Mr Solaiman alleged that the Government has failed to maintain law and order in the polling centres. There were open use of arms and the Awami League has been able to win over 50 seats through forcibly occupying the polling centres he alleged

Narrating his experiences of Sonargaon constituency he alleged that his rival candidate Mr. Mobarak Hossain with his supporters occupied 20 out of 60 polling centres through use of arms. The polling agents of Mr. Solaiman were either driven away or not allowed to enter in many of the polling centres he further alleged.

Mr. Solaiman said that his supporters were attacked on election day and also the following days at the hands of Awami League supporters. He also demand constitution of an enquiry commission to verify his allegations.

SHAHJAHAN

BSS adds: Chief of Jatiya Samaptantrik Dal (R) Mr Md Shahjahan said in Dhaka Saturday that Parliamentary Election results were not acceptable to the people.

He alleged that both the Jatiya Party and the Awami League had resorted to rigging in the elections. The mudslinging of both the parties against each other was in testimony to it he said. SHRDUL M

He demanded release of his party General Secretary Mr ASM A Rab and other party workers who were arrested from a polling centre in Ramgati.

Prof. Muzaffar

NAP (M) Chief Prof Muzaffar Ahmed in Dhaka Saturday that the results of the Parliamentary elections so far announced did not reflect the vardict of the people.

Prof Ahmed alleged that a particular political party resorted to rigging which he said could be described as "ballot dacoity". DRHMB

The NAP (M) chief who himself lost in the election from a Comilla constituency demanded holding of fresh elections in all the 300 constituencies.

He said that his party had not yet decided whether members elected on the party ticket would sit in the Parliament.

Prof Ahmed told a questioner that his party would still work under the framework of the eight-party Alliance of which it is a component.

SAJEDA

Begum Sajeda Chowdhury General Secretary of Bangladesh Awami League Saturday demanded re-election in her constituency saying the rights of voters were denied by total rigging by her opponent.

Addressing a Press conference at the Jatiya Press Club in Dhaka on Saturday morning Begum Sajeda Chowdhury alleged that her workers were forced out of the polling centres.

The AL General Secretary said that she had lodged a formal protest with the Chief Election Commissioner in this regard.

Mr Amir Hossain Amu Joint Secretary of Awami League also urged the Election Commission to hold fresh election in his constituency in Jhalakathi—2.

BSS from Ctg. adds:The 15-party leaders at a protest meeting at Laldighi Maidan here this afternoon called upon the government to hold fresh elections in at least 50 constituencies of the country where Awami League lost.

The meeting called by 15-party alliance was presided over by Mr M.A Wahab President of Chittagong District (North) branch of Awami League and addressed by front leaders.

The leaders protested the stoppage of the announcement of election results. They warned against any change of the verdict given by the masses in favour of their candidates.

The leaders pledged to continue their struggle to restore democracy in the country.

SIGHT-PARTY RALLY IN KHULNA

Our Special Correspondent from Khulna adds :—Khulna Awami League and its eight-party alliance staged a demonstration in the city today in protest against what they described "rigging of polls" by the Jatiya Party supporters on May 7 polls. Later the demonstrators went to the office of the Deputy Commissioner, Khulna and held an important meeting there demanding fresh election in one hundred Parliamentary seats of the country a Mr. Salahuddin Yusuf Mr. Sayeedur Rahman and several other leaders of Awami League and 8-party Alliance addressed the demonstrators in the meeting.

Meanwhile Mr. S. M. Amlad Hossain a former Minister who contested the polls from Khulna—4 (Terokhada) in a statement issues here today demanded fresh polls in some areas of his constituencies where the supporters of eight-party Alliance and Jatiya Party established a reign of terror on the poll day in collaboration with the government officials. He alleged that most of the genuine voters were not allowed to cast their votes in most of the polling centres of his constituency by the Jatiya Party and eight-party alliances Mr. Khaibar Hossain a Jatiya Party candidate from Khulna-1 (Batiaghata) in a separate statement has accused the supporters of Awami League of rigging polls at different centres of his constituency on poll day. He also complained against some presiding and polling officers of collaborating with the Awami League candidate in rigging the polls

AHMEDUL KABIR

Mr Ahmedul Kabir Independent candidate at Narsingdi—2 constituency in a statement said that he would have won the Jatiya Sangasad election if the polls were held fairly.. He claimed that if elections were held again in the 14 centres where polls were supended, his victory was inevitable

He requested the Gobernment to hold election again in the 14 centres in a free and fair manner.

ISMAIL HOSSAIN

Mr Ismail Hossain Bengal a Jatiya Party candidate from Dhaka—10 (Ramna—Tejgaon) constituency on Saturday night demanded reelection for the seat alleging widespread rigging in most of the centres reports BSS.

In a statement Mr Bengal alleged that his opponents had let loose a reign of terror through rigging and violence in his constituency. He said he lodged a protest with the Tejgaon Police Station in this regard.

Khaleda Zia Freed

Dhaka THE BANGLADESH OBSERVER in English 11 May 86 p 1

[Text]

Chief of Bangladesh Nationalist Party and leader of Seven-Party Alliance Begum Khaleda Zia told newsmen at the Central Office of her party on Saturday evening that the Wednesday's parliamentary elections were basically the fight for forcible occupation of the polling centres. "It was no election at all" she maintained firmly.

Begum Zia was talking to the newsmen after the withdrawal of restrictions on her movement from her house. She stated that the "plain clothesman" who were maintaining vigilance on her house were withdrawn at about 5 p.m on Saturday.

It may be recalled that Mrs. Farida Rahman Vice-Chairman of BNP had, filed a Habeas Corpus petition on Mrs. Zia's confinement which was scheduled for hearing before the High Court today (Sunday). Begum Zia came to the Central Office of her party at around 6.30 p.m on the day and then went again to the Holy Family Hospital to see her ailing mother. Begum Zia's mother was later shifted to the residence of her (Begum Zia's) elder sister.

The BNP chief came back again to the party office at about 8.15 p.m and met the members of the Press for a brief period.

When asked to give her views in details about the parliamentary elections Begum Zia said that she was not in a position to say much about the elections since she was yet to meet and

hold discussions with her party leaders and workers on the issue. She stated that as far as she could gather from the reports in the foreign media during the period of her confinement the turn-out of voters in the elections would not be over more than ten per cent.

Begum Zia said that she would hold discussions with the party leaders and workers and all others involved in the alliance to decide the next course of action.

She thanked the people for extending support to her programme. "I thank also all those who raised their voice against my confinement" she added.

Meanwhile Bangladesh Nationalist Party (BNP) at a rally held on Saturday at Nawab Yousuf Market demanded of the Government to declare the Wednesday's election to the Parliament null and void and announce a new date immediately to hold a fresh election. The rally also demanded release of the detained party leader including Mr A.S.M Mustafizur Rahman Mirza Golam Hafiz Dr Mosharraf Hossain Ahmed Nazir and Ahmed Kamal.

Presided over by Mr S.A Bari A.T Vice-Chairman of the party the rally was addressed among others by former Minister K.M Obaidur Rahman Barrister Rafiqul Islam Mia Mr Julmat Ali Col (Retd) Oali Ahmed Mirza Abdul Halim, Ahmed Ali Miah Dewan Serajul Huq.

The rally in a resolution termed the May 7 election as mockery of election as people did not respond to it. The election was held amid hijacking of ballot boxes and violence it maintained. The resolution said that the Bangladesh Nationalist Party was correct in its decision of boycotting the election as it felt well beforehand that election under the Martial Law Government would not be free and fair. The resolution said that only election on the basis of 5 point demand would ensure impartiality and establishment of democracy in the country.

The rally condemned the police action on the BNP meeting at Baitul Mukarram on Monday last and Government refusal to give premission for microphone use for the rally.

/9274
CSO: 4600/1799

EDITORIAL EXAMINES GROWTH OF ECONOMY

Dhaka THE BANGLADESH TIMES in English 17 May 86 p 5

[Editorial]

[Text]

The Bangladesh economy has been steadily moving forward during the last five years despite the natural calamities which have tried to stem progress in many sectors. The economy during the Second Five-Year Plan that extended from 1980 to 1985 recorded a four per cent annual growth. The growth rate is significant when one considers the harrowing floods and the devastating cyclone that ravaged the countryside, killed people in thousands, washed away crops from the fields and destroyed houses. On many occasions, bridges were damaged, power lines disrupted and communications suspended for days.

But the nation apparently fought back during every one of these calamities and despite the sufferings and the agony caused by the catastrophes, reconstructed what was lost. It is apparent that the Bangladesh economy has showed its inner strength and its power of resilience.

The most important improvements in the economy were brought about by foodgrain production, industrial growth exports and energy development sectors. According to official statistics, foodgrain output registered an annual 3.9 per cent increase during the five-year period faster than in the previous five-year.

What is commendable is that this growth was achieved by Bangladesh farmers despite severe floods in 1984 which destroyed nearly 1.8 million tonnes of paddy and another million bales of jute— the country's main export earner. The industrial sector which really fought back during the last two years averaged an annual growth of six per cent. This additional

growth was due to manufacturing of more import substitution products and export based activities such as ship breaking and garment industries.

While the local industries were expanding its base, Bangladesh's traditional exports like jute and tea had registered a 20 per cent increase annually in the last five years. In the energy development sector, which is one of the rapidly growing areas of the country, the growth has continued to show a steep rise. There were significant increases in production of fertilizers, the generation of power and the manufacture of import substitution of petroleum products.

The successes of the Bangladesh economy have been noted by independent international organisations which have built a reputation and expertise on the development of Third World economies. One of these is the World Bank which in a recent report has lauded economic achievements of the Bangladesh despite the adverse situations in which it was often placed during the last five years.

These achievements are certainly due to the policy reforms undertaken in recent years in the agricultural and industrial sectors and in the streamlining of exports. But it must also be said, that the very energetic Bangladesh farmers and the industrial workers have put in untiring efforts to overcome every one of the crises that the country faced.

The economic successes also point to the potentials of the country which still remain untapped. One problem, however, the country faces for medium term economic growth is a shortage of foreign exchange for essential imports and relatively low level of domestic savings and investments. Nevertheless, the World Bank predicts that Bangladesh's economic growth can be accelerated to about 4 5 to 5 per cent annually from 1986.

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CSO: 4600/1805

GANDHI, NUJOMA AFRICA DAY SPEECHES REPORTED

Bombay THE TIMES OF INDIA in English 26 May 86 p 1

[Text]

NEW DELHI, May 25.

THE Prime Minister, Mr. Rajiv Gandhi, today called for immediate comprehensive sanctions against South Africa and said it was the only alternative to a "terrible bloodbath" in the region.

Speaking at a function organised on the occasion of "Africa Day" at Vigyan Bhavan here, he said Pretoria had continued to demonstrate a contempt for civilised behaviour and good sense and the recent "cosmetic concessions" by the Botha regime could not be accepted.

The SWAPO president, Mr. Sam Nujoma, was also present.

Reaffirming India's continued support for the freedom struggle of the Namibian and South African people, the Prime Minister said that "our reservoir of talent can always be drawn upon for the developmental needs of the African states".

"We must now reinforce political freedom with economic development," he stressed.

Referring to Mr. Nujoma, Mr. Gandhi said the SWAPO president personified the qualities of the South African freedom struggle. He noted that the termination of the South African mandate in Namibia should have led to Namibian freedom long ago. He lauded the struggle of the South African people against apartheid and colonialism.

The Prime Minister declared that "freedom for Namibia will dawn, ending the long night of colonialism for Africa".

Mr. Gandhi, who recently visited some frontline African nations, while speaking on economic ties with African states said that the full potential of South-South co-operation had not been fully tapped.

He hoped that the next non-aligned summit at Harare would explore the possibilities of strengthening South-South co-operation.

The Prime Minister also made a strong plea for a fresh North-South dialogue which would provide stability for the prosperous and growth for the less prosperous.

Mr. Gandhi, who switched over to Hindi for a brief period to apprise Indian freedom-fighters of the struggle of the African people, spoke about Mahatma Gandhi's experience in South Africa and the way it had influenced India's own freedom struggle. Had Mahatma Gandhi not been thrown out of a South African train, history might have been different, he observed.

Mr. Nujoma in his address said he and his people attached a great importance to the world conference on sanctions against the racist South African regime, to be held in Paris on June 16. "What we want is the intensification of global sanctions against the racist regime as an additional pressure to make it grant Namibia's independence, without armed aggression and destabilisation of the African independent states, particularly the frontline states".

The SWAPO president, who was repeatedly applauded, recalled the pioneering role India played in the U.N., even before achieving its own full independence, in support of the decolonisation of Africa. He said the names of Mahatma Gandhi, Jawaharlal Nehru and Indira Gandhi "will eternally continue to inspire our freedom struggle".

Mr. Nujoma said the Pretoria regime had no intention of leaving Namibia inspite of the fact that its economy was at its worst phase. At the same time, the South African military expenditure in keeping Namibia under occupation was rising "meteorically".

He accused the Reagan administration of destabilising Angola by supplying arms and ammunition to the UNITA rebels. He called for urgent assistance to Angola.

India, he said had made a memorable contribution to promote the interests of NAM and supported the cause of liberation in South Africa, Namibia, Palestine and of other oppressed people the world over.

Others who spoke on the occasion included the Union external affairs minister, Mr. Shiv Shankar, and the minister of state for external affairs, Mr. Eduardo Faleiro.

A choir of African student in India provided the grand finale to the celebrations.

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CSO: 4600/1793

INDIA

AIEI STUDIES INDUSTRIAL COOPERATION WITH VIETNAM

BK260935 Delhi THE HINDUSTAN TIMES in English 16 May 86 p 8

[Text] New Delhi, May 15--Vietnam has shown keen interest in expanding its industrial co-operation with India especially to widen its existing areas of involvement.

As a follow up to the second session of the Indo-Vietnam joint commission held in Hanoi recently, the Chamber of Commerce of Vietnam (Vietcochamber) and the Association of Indian Engineers (AIEI) have identified 22 specific sectors of industry for bilateral co-operation Programme (ICP) between India and Vietnam has already begun to select and initiate India's participation in these sectors.

Specifics from the 22 sectors listed include modernisation of textile mills, exploitation of mineral resources, setting up of units for manufacture of agricultural pumps sets and diesel gen- [as published] sets, new and renewable sources of energy, downstream industries for petro-chemicals, hydro-electric projects, two-wheelers, edible oils, consumer durables such as fans, bicycles, sewing and knitting machines, coastal shipping, railway network development, urban housing, tool room and training.

As part of the ICP, AIEI is to shortly organise a conference on Vietnam, in New Delhi which would highlight the opportunities in Vietnam, identify proposed and on-going projects in which India could participate. It is to focus on the credit facilities including the recent augmentation of financial assistance to Vietnam of Rs 15 crores and ascertain the industry's response to interaction with Vietnam.

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CSO: 4600/1797

'EXCEPTIONS' IN CONGRESS-I ADMINISTRATION SCORED

Madras THE HINDU in English 26 May 86 p 9

[Article by G. K. Reddy]

[Text]

NEW DELHI, May 25.

The much-talked of code of conduct for Congress (I) members, especially those in power at the Centre and in the States, has been shelved for the present, at any rate until the organisational elections.

The party leadership is afraid of rocking the boat for fear of rattling too many skeletons, with the result that the power brokers in the country, as the Prime Minister, Mr. Rajiv Gandhi described them in his speech at the centenary celebrations, continue to have a free run corroding the political system.

Controversial personalities: The Prime Minister himself diluted the criteria that he laid down earlier for determining the integrity of those eligible for ministerial appointments by including in his Cabinet quite a few controversial personalities with dubious reputations.

Whatever the compulsions for making such exceptions in the choice of his Cabinet colleagues, Mr. Rajiv Gandhi has not been applying uniform standards in taking a critical look at the infractions of his party colleagues. If a few get punished for misuse of their official or party positions, many more manage to get away with much more serious charges.

The AICC (I) Secretariat has been expanded in the last two years and several new organisational methods have been introduced to exercise effective control over the functioning of the party both at the Centre and the States. The Vice-President, Mr. Arjun Singh, is supposed to advise and assist the Congress (I) President in running the party organisation.

But all important decisions continue to be initiated outside the AICC (I) set up and communicated to the General Secretaries for implementation, with the result that they are not always consulted about important policy matters or associated with inner party confabulations. It is not often that they have any advance knowledge of important party decisions which are taken at a higher level by a different set of people.

Selective reporting: The intelligence and investigative agencies are, no doubt, well aware of what goes on within the party and the Government, but their reporting is done on a selective basis depending on the proclivities of those who are in a position to influence decisions. One cannot, therefore, rely totally on past precedents in anticipating the Prime Minister's reactions, since the same considerations do not prevail in each case in either ensuring greater probity in public life or enforcing party discipline.

The Prime Minister's advisers are not unaware of this criticism, but they seem to think that a party president or a head of government—and more so when one happens to be both for whatever reason—should have an unfettered right to exercise his discretion in a manner that he deems fit in a particular situation. The rationale behind this contention is that, since no two charges levelled against those in power are the same, the Prime Minister and party leader has to deal with them in their different contexts without attempting to apply the same yardstick in all such cases.

But then no present-day Prime Minister or party president can function like a Solomon holding the scales of justice even and insisting on total adherence by one and all to the prescribed norms in a permissive political atmosphere. If exceptions have to be made, the codes of conduct have to be left flexible to be interpreted or applied differently in differing situations.

Vague concept: It is this deliberate bid to keep the whole concept of personal integrity and public accountability vague that is leading to a lot of criticism within the party over the dispensation of patronage. The many that get left out in the rat race for posts of power feel doubly aggrieved when some of their less deserving colleagues manage to make the grade through a combination of good luck and a subjective exercise of patronage.

As a party that has revelled in its own contradictions, the Congress has not tried to purify its spirit through a succession of splits. It has developed over the years an amazing capacity for survival by learning to live with all the hang-overs of the past in a changing milieu in which a code of conduct does not make much sense, if it cannot be applied selectively to punish or exonerate those accused of gross misuses of power for personal or political benefit.

TAMIL NADU NAXALITES GIVE UP VIOLENCE

Bombay THE TIMES OF INDIA in English 26 May 86 p 7

[Text] Madras, May 25 (UNI)--Naxalites in Tamil Nadu, badly mauled by strong police counter-measures, have abandoned their strategy of violence but the movement itself shows no sign of decline.

According to official assessment, the Naxalites working in five different groups are now concentrating on building a mass base with mostly peaceful means with a hard-core membership of about 1500. Besides, an estimated 5000 people including students, youths, lawyers and government servants are active in "front organisations" which propagate their ideology through art, literature etc.

The movement is spread over all districts in the state with varying degrees of concentration, intelligence officials say.

Some Naxalites owing allegiance to the people's war group led by Kondapalli Seetharamiah in Andhra Pradesh which believes in anarchy and annihilation are present in the state too.

The blast at a bridge in Thanjavur a few days before the Prime Minister, Mr Rajiv Gandhi was to visit the district in February and a dacoity in Dharmpuri last month are attributed to this group.

Railway Employees

Fifteen people had been arrested in connection with the dacoity while the top leaders went underground. Some railway employees had been taken into custody in connection with the bridge blast, the police said.

The police say none of the Naxalite groups have abandoned the concept of ultimate class war and the overthrow of the government to usher in a classless society and the current abandonment of the annihilation strategy is only a tactical move to avoid being wiped out by the police.

In the severest flush-out operation undertaken by the police in August 1980, over 200 Naxalites were arrested and 15 killed in police encounters. The last major encounter was in August 1981 when top three Naxalites including Dhanapal were killed.

Kannamani was the first top Naxalite leader to be killed in police encounter. Balan, a post-graduate dropout, died of injuries sustained in an encounter with the police in September 1980.

The Naxalites have put up statues of Balan and Appu, another top leader, at a private land of Dharmapuri in memory of their lost leaders.

Local Issues

The Naxalites now take up local issues such as minimum wage, spurious money-lending, repressive contract system and land disputes and are earning the support of the peasants, according to some officials. Others, however, say that their hold over the local population is negligible.

The officials claim that the government welfare measures and rehabilitation of former Naxalites have paid dividends. "We are trying to recruit more former Naxalites to the constabulary," one senior official who once supervised police counter-measures against Naxalites said.

According to intelligence estimates, the five groups working in Tamil Nadu are: Vinod Mishra group, peoples' war group, Tamil Nadu organising committee, Tamil Nadu state organising committee and Tamil Nadu CPI (ML). Al the groups operate through front organisations.

About ten leaders who had been serving jail terms have in the past been released on bail.

The police said three of the panchayat presidents elected in the recent local body elections in the state belonged to the Indian People's Front, a front organisation of the Vinod Mishra group which was now participating in parliamentary democracy. One of them was elected in Tirunelveli district and another in Thanjavur district.

/9317
CSO: 4600/1793

INFLUX OF BANGLADESH TRIBALS CONTINUES UNABATED

New Delhi PATRIOT in English 26 May 86 p 6

[Text]

Agartala, May 25 (PTI)—The influx of tribal refugees from Bangladesh's Chittagong hill tracts into South Tripura continued unabated till yesterday, even as the district magistrate level meeting between representatives of the two countries was rendered uncertain, according to official sources.

The sources said the meeting between South Tripura district magistrate A K Mengotra and his counterpart in Bangladesh's Khagracherri district, scheduled for tomorrow had not been finalised as the Bangladesh officials had neither confirmed nor cancelled the programme.

It was previously decided at the flag meeting between the BSF and Bangladesh Rifles sectors commanders at Sabroom in South Tripura last week that the modalities of repatriation of the 9,000 refugees now lodged in three evacuee camps in Tripura would be worked out at the district magistrate level meeting.

The previous magistrate level meeting between the two countries last week did not take place because the Bangla officials did not turn up.

Indian officials told newsmen today that the "attitude of the Bangladesh officials was one of evasion" ever since the problem of refugee influx into South Tripura came to be the subject of discussion between the two nations from early this month.

The deputy commissioner of Khagracherri district had earlier accused Indian involvement in the Shanti Bahini raids on Bangladesh military and civilian targets on 29 April and demanded Rs 1.5 crores from India by way of compensation for the damage caused by Shanti Bahini.

The South Tripura district magistrate denied the charge as "baseless" and said that no anti-Bangladesh rebel group was operating from Indian territory. On the other hand, there was evidence that TNV guerillas of Tripura were based in Bangladesh, he said.

Altogether 1148 tribal refugees reported to the Tripura government yesterday after evading BSF patrols restricting their entry on the Indo-Bangladesh border, officials said.

They said the number of refugees entering Tripura exceeded 3,000 yesterday, but many had not yet reported to the camps.

The total number of refugees in the camps now exceeded 10000, while more than 4000 others were staying in the thick jungle stretches around the Dumbur hydel project in South Tripura.

Officials said the fresh influx was caused by the massacre of over 150 tribals at Taidong and Commilliatilla last Monday.

Meanwhile, over 500 persons, mostly tribals, demonstrated before the Bangladesh visa office, adjacent to the Raj Bhavan here, last evening demanding immediate intervention by India and the United Nations in Bangladesh's Chittagong hill tracts to "stop ethnocide of tribals there".

Demonstrating under the banner of the local Humanity Protection Forum (HPF), they urged Bangladesh to "demilitarise the Chittagong hill tracts" for return of peace to the embattled region. They also called for an end to pushing back of tribal evacuees by the Border Security Force.

According to official estimates, clashes among the guerillas, Bengali settlers, and security forces have claimed up to 6,000 lives since the early 1970s, in the Chittagong hill tracts.

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CSO: 4600/1795

INDIA

CENTER WANTS TO STABILIZE SITUATION IN KASHMIR

Madras THE HINDU in English 26 May 86 p 9

[Article by G. K. Reddy]

[Text]

NEW DELHI, May 25.

As part of the steps that are being taken to seal the borders with Pakistan to prevent infiltration and flow of arms, the Centre is taking a fresh look at the political scene in Jammu and Kashmir to end the present ferment in this sensitive State.

The Minister of State for Internal Security, Mr. Arun Nehru, has been sent to Srinagar to make an on-the-spot study of the law and order situation.

All the Congress (I) legislators and office-bearers of the PCC (I) in Jammu and Kashmir have been called to Delhi by the party Vice-President, Mr. Arjun Singh, to consult them on the desirability of continuing Governor's rule for some more time, installing another Ministry headed by Dr. Farooq Abdullah or going for fresh elections.

Stable situation: The Centre wants to do everything possible to stabilise the internal political situation in Jammu and Kashmir to check the activities of the pro-Pakistan elements. It feels that the anti-terrorist drive in Punjab cannot be effective, until the border security has been strengthened from Kashmir to Rajasthan.

The Defence authorities have been keeping a close watch on the movements of Pakistan forces in the vicinity of the Siachen Glacier to ensure that there is no scope for any surprise military moves by them. The main access passes are held quite securely by Indian troops

But what is troubling the Centre more than border security is the volatile Akali politics in Punjab which is rendering the drive against terrorism doubly difficult. Though it is supporting him to the hilt, the hard-pressed Chief Minister, Mr. Surjit Singh Barnala, knows quite well that his increasing dependence on Delhi is eroding his position and making him increasingly vulnerable to more Akali pressures.

Overall guidance: It is against this background that the Defence and Home Ministries, working under the overall guidance of the Prime Minister, are taking an integrated view of the entire border situation. The Centre is reluctant to entrust the Army with the security operations in the four border districts of Punjab rocked by terrorism, but it is not averse to the idea of taking this drastic step if the situation warranted it.

If it is left with no alternative, the Centre does not propose to take this action in isolation. The intensification of the anti-terrorist drive in Punjab will be followed by efforts to stabilise the political atmosphere in Jammu and Kashmir, besides restraining Haryana from over-reacting to the communal tensions in Punjab and intensifying the vigilance along the borders with Rajasthan.

The two Aruns—Mr. Arun Nehru and Mr. Arun Singh, Minister of State for Defence—and the Congress (I) Vice-President, are coordinating all these moves at the political level, while the core group of senior secretaries is dealing with the administrative aspects.

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CSO: 4600/1794

BRIEFS

PUNJAB ADVISORY GROUP--New Delhi, 24 May--The Prime Minister, Mr Rajiv Gandhi, today set up a Punjab Advisory group headed by Mr Jagjivan Ram. Mr Arjun Singh, Congress vice-president, will be the convener of the group, which will be associated with all high-level discussions on the troubled state. The eight-member group consists of the members of the standing committee of the National Integration Council. According to an official announcement, it will apply its mind to the problems of national integration in the context of the Punjab situation. The other members of the group are Mr. P. N. Haksar, Mr Khushwant Singh, Mr Prem Bhatia, Mrs Aruna Asaf Ali, Mr C. Rajeswara Rao, general secretary of the CPI, and Mr L. K. Advani, president of the Bharatiya Janata Party. [Excerpt] [Bombay THE TIMES OF INDIA in English 25 May 86 p 1] /9274

AIRPORTS AUTHORITY ESTABLISHED--New Delhi, 22 May--The setting up of the National Airports Authority, which will take care of all the airports in the country, with Air Marshal C. K. S. Raje as its chairman, was announced here yesterday. Barring the four International airports (Bombay, Delhi, Madras and Calcutta) which will continue to be under the charge of the International Airports Authority of India, the newly-formed National Airports Authority will take care of all the airports. The authority will become operational on 1 Jun, 1986. The National Airports Authority will take over from the Director-General, Civil Aviation, functions relating to the management and development of domestic aerodromes, civil enclaves and aeronautical communication stations. Besides the Director-General of Civil Aviation as ex officio member, the other members of the authority are the managing directors of Air-India and Indian Airlines, general manager, Vayudoot, Director of Civil Aviation Security, Chairman, International Airports Authority of India, Director-General CPWD, the Financial Adviser in the Department of Civil Aviation and Lt-Gen (retd) Y. B. Nanda. [Text] [Calcutta THE STATESMAN in English 23 May 86 p 13] /9274

TRADE WITH BULGARIA--India and Bulgaria today signed a new trade protocol for 1986 at the end of 4 days of talks in New Delhi. The protocol provides for an additional trade turnover of about 145 crore rupees. This will be over and above the normal trade valued at 86 crore rupees. Under the new agreement, India will export to Bulgaria oil cakes, raw cotton, leather and leather goods, iron ore, and engineering goods. Imports from Bulgaria will include urea, steel products, soda ash, drugs, newsprints, and machineries. [Text] [Delhi Domestic Service in English 1230 GMT 22 May 86 BK] /9274

CSO: 4600/1796

PROSECUTOR-GENERAL ATTACKS BAZARGAN GROUP, U.S. POLICIES

Tehran ETTELA'AT in Persian 12 Apr 89 p 3

[Text] At a meeting which included the staff of the Prosecutor-General's office and the personnel of the Islamic Revolutionary Prosecutor's office in Tehran, the Prosecutor-General said:

"We must maintain the conditions in this country in such a way that the United States will lose hope forever, and that there will not come a day when our actions or the action of certain individuals, groups or those in charge, could provide the United States with a ray of hope. For this purpose we must know the bases that the United States has held in Iran, and we must identify the agents that throughout the years and gradually during 20 to 50 years tied the United States to Iran. We must not allow the revival of American bases, and we must confront these resolutely."

According to a report by our correspondent, the Prosecutor-General, Hojjat ol-Eslam Val-Moslemin Musavi-Kho'ini stated the following during this gathering on 8 April, the anniversary of the breaking off of relations with the United States: "On a day like this in April 1980 the old and oppressive relations between the United States and Iran were terminated, and with the declaration of the break by the United States, His Excellency, the Imam, considered this termination a good omen.

After the occupation of the spy nest, the United States made many attempts to restore its lost prestige and applied a lot of pressure on the regime of the Islamic Republic through other countries and through its own bases and agents for Iran to maybe release the American hostages, but it failed on all accounts." He said: "The United States tried hard to maintain its relation with Iran as well as free the hostages, but all its efforts failed." Kho'ini added: "With the occupation of the spy nest, the world saw how the people supported this revolutionary act and the United States realized that the people's hatred toward the United States is stronger than their hatred towards the treacherous shah, and this fervour and enthusiasm followed the occupation of the spy nest was not less than the victory of the revolution.

The people of Iran realized that the basis for all the problems lies with the United States, and the people declare their repulsion for all those who are in line with the United States."

He said: "After the occupation of the spy nest the members of the provisionary government's cabinet fell, not from the cabinet, but also in a political sense. The head of the provisionary government and his cabinet were ousted for good and now we observe that with broken arms and legs they claw at the fact of the revolution and attach their clutches to the injured flank of the revolution, and these clutches are linked with a current that has entered the country by means of Saddam. It must be said that this is a foolish flouncing that will not achieve anything. How one must be foolish to take up against a nation. In Iran for a political group to oppose the entire nation, is truly foolish. Of those in Iran who have a sense of honor and self-respect, would there be anyone who, knowing that Saddam has attacked Iran and has brought about so much misfortune for a nation, would not say: 'Stop the war wherever you are: We'll talk later.'? If a person is intelligent and perceptive, could he say such a thing?"

The prosecutor-general said: "If someone were to attack a home and trespass against the owner's belongings and family or murder the inhabitants, would that honorable and self-respecting man say 'All right. We will cease fire right here until we talk later'? If he has any sense of honor, he would fight and defend what is his, like a man, even at the risk of being killed himself.

Recently a pamphlet was circulated indicating that the families of the martyrs from Tabriz have complained against the Freedom Movement that the Freedom Movement has betrayed them. Because members of the Freedom Movement have said that the families of the martyrs believe that their martyrs go to heaven. Therefore, according to this, all Iranians live in an imaginary world!

These Muslim, honorable and respectable people know how to punish the aggressor, and they fight to uproot Saddam and the Ba'th Party or they get killed, and God willing Saddam will soon be destroyed.

These gentlemen have really lost out politically and this has resulted from their disagreement with the people concerning the United States.

Ask the people of Iran if they are ready to make peace with Saddam. You will see what a decisive response they will give you.

Everybody knows that no one goes to the front by force, and that people proceed to the front to defend their own honor and the revolution.

If a people's government is created in the United States, it'll be like other countries [as published]: But the Americans in charge are like the devil, and one cannot come to an agreement with the devil, and a handful of politically bankrupt people does not have any customers in this country. Abroad there are individuals like them who have fled the country, and among them, there are buyers. The 200 to 300 people who get together in the offices of the Freedom Movement and who oppose the war, flatter themselves by being against the sovereignty and the people and the revolution. "The Prosecutor-General added: "We must maintain the conditions in this country in such a way that the United States will lose hope forever, and that there will not come a day when an

attitude may be observed on our part, or on the part of individuals, groups or those in charge, that would provide the United States with a ray of hope, and for this purpose we must know the bases that the United States has held in Iran and we must identify the agents that throughout the years and gradually during 20 to 50 years tied the United States to Iran. This responsibility lies with our press, writers, media and researchers to always recognize and to point out the bases from where the United States could attack once more and to immediately report the slightest movement indicating a revival and not to say: 'It's nothing, and it's of minor importance and it is pardonable.'" Mr. Musavi-Kho'ini said: "A person does not commit sins from the beginning. But if he does not pay attention to abominable acts, he will slowly commit other sins.

We must display sensitivity at the first encounter so that we may prevent American bases from being revived, and we must confront them resolutely. Those who are active in American bases, cannot get along with the revolution. It is like saying that a judge who does not say his prayers has judicial knowledge. This kind of judges are of no use. Because slowly this same judge could create corruption in the Ministry of Justice. But if we do not have corrupt judges it is better, and what I just said, I hope they won't go tomorrow and say it weakened the judicial power. This has become a problem for us in that whenever we say something, they immediately say the Majlis and the government have been weakened and I don't know which is a weakening of the government and which is constructive criticism? They must set limits so that society is not deprived of constructive criticism. Because an unusual self-censorship has developed in our society. I say to the newspapers: 'Why don't you write?' They say: 'They call us to say so-and-so has been weakened.' As soon as someone is arrested by the judge they say he has lost his morale. I don't know, it is as if all members of the ministries, organizations etc., are angels who cannot commit sins. If this is so, then why do we ourselves complain about some of them, and if we accept that inside there are some corrupt individuals, now that the judge has summoned the offender, bear it for a while until the judge does a proper investigation. It is impossible not to be able to criticize those who sit behind an official desk. It would be better if we didn't have specialists, experts, masters and others who are corrupt. We must train physicians, experts and responsible and healthy individuals for the Islamic Republic, who in the future will be in line with the goals of the Islamic Republic."

Quoting Dr Velayati, the Prosecutor-General said: "A physician, in order to display opposition to the Islamic Republic, recommended a medicine for the patient under its generic name to confuse the patient, while the medicine was available on the market under a different name. Yet such things do not get written up." He said: "We should have banned foreign goods from the beginning but we did not do so, and now with the decline of the price of oil, we are apprehensive about the hard currency revenue. If it had been seiously combatted from the start, now it could not affect us negatively.

We should have pursued this policy in our country from the beginning, which we did not. We must only use what we manufacture ourselves, and if we don't have them, we should not use them. This holy war must take place in our country.
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PAKISTAN

BENAZIR BHUTTO INTERVIEWED, DISCUSSES PROSPECTS

Calcutta SUNDAY in English 18-24 May 86 pp 21-24

[Interview of Benazir Bhutto by Sadia Dehlvi: "Even a Dead Bhutto Can Save Pakistan"]

[Text]

Q: It is said that you have been inspired by President Corazon Aquino of the Philippines. But can you do an Aquino eight years after Mr Bhutto's death? Besides, unlike Marcos, Gen. Zia is not charged with corruption.

A: The corruption will reveal itself in due time. After Marcos fled, the world saw for itself. I am not going to stoop so low as to reveal all that has happened. Time will tell. After the hanging of Shaheed Bhutto, there was terror. People were scared to speak the truth. This year has been a bad year for dictators. Marcos and 'Baby Doc' of Haiti had to flee. We want a life of dignity for our people. Gen. Zia has betrayed the country. His tyranny is more than Marcos. He has to go now. It is only a matter of when and how.

Q: Would you take revenge if you came to power? Would you try the General for treason?

A: We don't want revenge. We have faced cruelty and know the meaning of pain. Revenge is taken by those who lashed journalists, fired at the innocent and brought the depression. We are fighting for justice and democracy. I have come not to avenge but to serve the country. Trying the General for treason is a matter for the Parliament and the people to decide. Our party wants to create a situation of harmony and peace, not one of revenge and hate.

Q: Do you blame Gen. Zia for your brother Shah Nawaz's death?

A: Yes, it was a planned murder. A strategy. Time will reveal the truth.

Q: Gen. Zia represents a system, not just an individual. Do you see a long battle ahead of you?

A: Well, I hope not, for the sake of Pakistan. No one has the right to snatch away the basic rights of the people. I am receiving overwhelming support from the people because the people want a change.

Q: Effigies of Gen. Zia have been burnt in your rallies and the General is being abused openly. Has this not weakened Gen. Zia's position? What is your view?

A: Democracy means an expression of mass opinion. Yes, I have been allowed to conduct my rallies and the masses have taken advantage of this freedom and expressed that they want fair elections. I am not saying, *Zia, Jave, Jave*. This is the voice of the masses on every road, every village, every town, men, women and children. They all want that *Zia Jave*. Democracy means the decision of the people. It is not just being allowed to abuse the government. My rallies are an indication of what the people of Pakistan want. People come not just to see me as the present government thought they would, but because I represent Shaheed Bhutto.

Q: Do you want a transfer of power? You have not specified any programme.

A: If we did not, why would people die for us? We have a programme. Our programme is Bhuttoism. We will change the system. (We will) demolish feudalism and terror. People's rule will free this country. Dictatorship will be no more. We will stabilise the economy, provide employment, raise the minimum wages of labour to Rs 1,000. The landless will get land. In the presence of the public sector, the private sector will also flourish. We will welcome international cooperation. Shaheed Bhutto lives in the eyes of the public. I am not interested in power alone. I have lived as the daughter of a Prime Minister and seen everything there is to see. I have accompanied my father on many visits.

Q: What exactly does Bhuttoism represent?

A: Bhuttoism is principles. Actually,

this was a term coined by Wali Khan when Shaheed Bhutto was in jail. He went around saying he had destroyed Bhuttoism. Today, this is the only philosophy that can save Pakistan. Bhuttoism is the name of our party's four principles. Islam is our religion, democracy our politics, socialism our economy and the people are the fountainhead of power.

Q: Your party is rumoured to be in absolute shambles. Has the role of Pirzada and Jatoi embarrassed you?

A: No, they have not embarrassed me. Lashes, jails and hangings have not choked our party. In fact, we are much stronger today than we were yesterday. No power can eliminate us. Sind, Punjab, Baluchistan and the Frontier are the constituencies of the People's Party. We have been the spokesman of the masses and will always be so. The red in our flag represents our struggle and the blood of our youth. It is the colour of Shaheed Bhutto. Even a dead Bhutto can save Pakistan. Yes, our party structure was damaged in 1977 but today it is reinforced and reestablished.

Q: Do you fear assassination?

A: After my father's death, friends advised me to stay away from politics. They feared I would meet the same fate. I was told that women are suppressed in Pakistan. But I am not scared. If my father can be hanged, my brother killed, why not I? I have chosen to serve the country at all costs. Shaheed Bhutto was murdered so that the weak classes could be killed. But his name will live as long as injustice exists. Mr Bhutto was not my father alone. He was the father of the nation. He was willing to sacrifice himself and his family for the people of Pakistan.

Q: Do you think martial law will be imposed again?

A: No, the army cannot fire upon its own brothers. Can any army hang its own youth? Never. Can they jail their mothers? Will they give up the Siachen glacier? Never. The uniform stands for respect and dignity. It stands to serve the country. Martial law has weakened the country. Gen Zia wants to crush the people with the help of the fundamentalists. To hang a Prime Minister and to sabotage Pakistan's nuclear plant is not the work of the army.

Q: It is alleged that the General has put on his military uniform since your arrival. Any comments?

A: I don't know why he has started to visit regiments after my arrival. But tell me, in an entire army of seven lakhs, he cannot even find one man to make the chief of army staff. People want an election now. His uniform is not going to help.

Q: Major differences seem to have emerged between the MRD (Movement for Restoration of Democracy) and your party. The MRD does not recognise the present assembly at all. Asghar Khan has also said that the robbers shall not come back, referring to your party.

A: I don't want to talk of differences. We co-operated for a cause and we hope they will co-operate in future. Regarding the assembly, when I was under house arrest in Karachi, I read reports of MRD leaders calling on the MNAs and encouraging them. Who recognised them then? The MRD has been successful because there was no suffocation. All parties were allowed flexibility and manoeuvrability. We have our individual representatives. We also decided that when the MRD was formed that it would be for the public to decide as to whom they want and whom they reject. We are not going into an electoral alliance with the MRD.

Q: You have not praised the MRD for their cause and not attended their rallies. Why?

A: I could not do so because my programmes were prefixed and I am too busy. Our party is holding talks with them.

Q: You want Gen. Zia to go, and at the same time you recognise the present assembly and refrain from criticising it. If he goes, then what happens to this assembly which is there through Gen. Zia's referendum?

A: There are two forces: subjective and objective. What I can do is subjective whereas what others can do are objective forces. These forces can be national and international. We cannot take any step where our subjective forces come under the objective forces of the other. Criticising the assembly is not in line with our strategies. We want an exemplary behaviour by the assembly, a historic role. Where Shaheed Bhutto succeeded he was always recognised as the strength of the objective forces and he would bring the subjective view to the masses. I have learnt this from him, my philosophical and political guide.

Q: If Gen. Zia goes, will you settle for elections in 1990?

A: No, I will settle for elections this fall, though I am not giving any deadlines. Without an early election, a big change is not possible. We are creating an impact on all the nerve centres of Pakistan.

Q: There is a resolution pending with the present assembly that Gen. Zia should remain the chief of army staff. If this resolution gains strength, will you support it?

A: I don't want to go into that now. The assembly should first decide on holding elections as early as possible.

Q: You talk of state elections, but why is it that you have not held elections within the party since its formation years ago?

A: That is not true. We have had elections abroad and we are soon having them in Pakistan, beginning with Sind.

Q: How is it that you have not criticised Mr Junejo, although he is Gen. Zia's man?

A: I don't want to cut him out. The assembly can play the role of a buffer.

Q: How do you view Pakistan's present state of economy?

A: Tremendous imbalances exist in the

present state of affairs. In the past, the PPP had tried its level best to correct these imbalances. It is the duty of the government to provide free education and free hospitals. We had started certain schemes for cheap housing which have been abandoned. Now, despite good harvests, our people are not benefiting. There is a false economy created by the drug trade, a parallel economy. The real economy of the farmers and labourers has deteriorated. I think the PPP constituencies should be identified. It is the labourer, the peasant, the middle class. It was our policies which helped increase the middle class. In the present system, there is no economic justice. When terror spreads, it affects all levels of life. Terror is not a normal way of living.

Q: You have not condemned America for the bombing in Libya. When Mr Bhutto died, Colonel Gaddafi declared state mourning. Yet, not more than 50 people were seen on and around PPP trucks demonstrating against America.

A: That is false. I stand for truth and am not scared of defending it. Shaheed Bhutto never cared for America or the Soviet Union. He had no stamp. I have no stamp either. Some people want to sidetrack me but I will not be sidetracked from what I want for the people of Pakistan.

Q: Mr Mumtaz Ahmed Khan, a renowned intellectual and president of the Pak-China Association, openly challenges your statement that Bhutto never tore up the Polish Resolution in the United Nations. He, along with others, claims that Mr Bhutto was anxiously awaiting the fall of Dhaka and, therefore, avoided a political settlement misguiding Gen. Yahya Khan. You have been accused of hiding the misdeeds of your father.

A: What my father tore up in the United Nations was not the Polish Resolution but his own notes. He went to the UN to explain the position of Pakistan. But the people there were fillibustering. They just wanted tea and coffee breaks. It was their plan to include Shaheed Bhutto in the fall of Dhaka. Shaheed Bhutto waited for two days. He then told them that while they were having their tea and coffee, his people were dying. He told them he would not go back with a document of surrender and then tore up his own notes.

People were denied basic rights in Bangladesh. There was a depression. That is what is happening in Pakistan today. Shaheed Bhutto tried his level best to save Pakistan. He called Sheikh Mujib and asked him to become Prime Minister or President but not to dismember the country. But who saved the rest of the country? General Manekshaw was threatening to give us another present in March 1972. Who saved us? If Pakistan survives today, it is only because of Shaheed Bhutto. And, today it is only our party that can save Pakistan.

Q: There are over three million Afghan refugees in Pakistan who have started to have a say in the internal politics of the country. What steps do you envisage for a speedy return of these refugees? The Russians have made it clear that there is no chance of their withdrawal as long as American involvement from across the Pak-Afghan border does not stop. Gen. Zia has refused to talk to anyone.

A: When the country is weak within, it is prone to external influences. Pakistan's relations with India and Afghanistan are deteriorating. The Afghan issue is very important to us. The Durand line has to be settled. Shaheed Bhutto made a pact with Afghanistan. The present government wants to break away from this pact. The Soviets must return because foreign forces can never remain forever. To recognise the talks held with this or that person has no meaning. We want a political settlement in conformity with our foreign policy which is non-alignment and bilateralism. The domestic implications of the refugees are tremendous. Also, I think the Soviet presence in Afghanistan has led to the heightened American presence in Pakistan. We want to see the country emerge free from foreign pressures. *Inshallah*, like you have in India, we will have non-alignment in Pakistan.

Q: The US-Pak military relationship is getting closer day by day. Pakistan has received a fresh aid package of $4.02 billion. Is such a military relationship good for Pakistan?

A: I am not opposed to aid in principle, as long as the aid is for the welfare of the people of Pakistan.

Q: Mr Bhutto had said, "We will wage war with India for a thousand years." If you do come to power, are you likely to repeat that?

A: Yes, he said that. But Shaheed Bhutto was also the man who went to Shimla and made the agreement. And we are committed to that agreement. It has provided the longest basis for peace between the two countries. Although Gen Zia has made some statements about India being our great neighbour, he has also presided over the deterioration of relations between India and Pakistan. We want to have good relations with all our neighbours.

Q: During the Carter regime in the USA, the Symington Amendment to cut military aid to Pakistan if it persevered in developing nuclear weapons was passed. Abdul Qader Khan, your leading nuclear scientist, confirmed that Pakistan has successfully enriched uranium and is in a position to make nuclear weapons. What would your nuclear policy be considering that Mr Bhutto had said, "Pakistanis may eat grass, but will make a nuclear weapon"?

A: We will continue with our nuclear research programmes. They will be used for peaceful purposes.

Q: What are your views on the Shah Bano case going on in India?

A: Women by Pakistani law are more protected than the Indian Muslim women. Our laws on bigamy and the like are much stricter.

Q: How did you react to being called "Virgin Iron Pants" in Salman Rushdie's novel, Shame*?*

A: No comments.

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CSO: 4600/363

PAKISTAN

PROMINENT PAKISTANIS EXPRESS VIEWS ON BHUTTO

Calcutta SUNDAY in English 18-24 May 86 p 25

[Text]

*Will Benazir Bhutto emerge as a strong political force? **Sadia Dehlvi** met a cross-section of important personalities in Pakistan to assess their views. Excerpts:*

Mr Rahman (Editor of the weekly *Viewpoint*): "Nine years of Pakistan's political life have been wasted. There has been no change in the political polarisation of the country. Those who were with the PPP are still with them, and those with others are still there. By stopping the political process, solutions cannot come about. The enthusiastic receptions Benazir is receiving confirm that the people do not accept the present government as legitimate. We want a totally civilian representative government.

"Pakistanis are afraid of this word 'stability'. We had 10 years of stability under Ayub Khan and the moment he went away, Pakistan was dismembered. Martial law gives a very deceptive stability. In 1973, we had an agreement on the Federal Constitution, but during these nine years the basis of the federal structure has been eroded. The four provinces of Pakistan are pulling in different directions. This is a result of martial law, just as it happened in 1969 in East Pakistan.

"General Zia's selective and hypocritical misuse of the Islamic slogan has damaged greatly the people's faith. He does not apply Islam on himself, but on the very poor people. He may be offering prayers and fasting, but that is not enough. So far as political requirements and institutional Islam are concerned, he cuts a sorry figure. He wants to become a "mir-ul-mominin" (religious head) without being elected, he does not impose Islamic principles on the army, he is one Khalifa who benefits from Bait-ul-maal (state treasure). Why, he even performs Haj on state expense. He imposes Islamic punishment without Islamic justice. Gen. Zia has tried to create a bureaucracy of religious leaders. We don't give in to fundamentalist pressure. Despite all the rigging by General Ayub Khan, Fatima Jinnah, a woman, got a considerable number of votes. In fact all religious parties are raising leftist slogans. Islam is not the problem in Pakistan. It is not in danger here. The state is."

Mr Tufail (An editor with the Jang Group of newspapers): "Martial law never solves any problem. Problems just accumulated all these years. Bureaucracy has become very strong. The President himself said that corruption has increased more than fifty per cent. Bhutto's family represents martyrdom. And Benazir is moving forward, promising to solve the accumulated problems. We have been relieved of press advice, and pressure from the government. Earlier, we could not publish Bhutto's name, we could just refer to him as an ex-prime minister. I must admit though, that we have more freedom under Gen. Zia's martial law than that of Ayub Khan."

Salman Taseer (Spokesman of the PPP and a biographer of Zulfikar Ali Bhutto): "This government has never received a jolt of this significance before. They had this democratic facade, with various constitutional structures that Gen. Zia had built around himself and he was looking

for the civilian government to be the sand bag between the real democratic opposition and his position. They thought that we don't have the organisation and, after a few public rallies, Benazir will fizzle out. They underestimated the undercurrents against this government. The effect has been overwhelming. Hundreds of thousands of people waiting all night to receive a politician. I don't think it has happened even for Gandhi.

"Look at me, the way I'm talking now. Four months ago, I would have been arrested for it. I have been arrested six times for what I would call reasonable political activity. We've seen the strong support for democracy and the position for a confrontation is building up. When we are ready, we'll ask people not just to attend public meetings, but to do certain things. And not to do certain things. There has already been an attempt to assassinate Benazir. We filed an FIR against Gen. Zia. Already, everyone is trying to join our party. The counsellors, their first election coming up in about four months, are ready to resign and block seats in hundreds for our party. "I believe he's (Zia) an army man to the civilian and a civilian to the army. The army knows his game. The referendum was his death-knell. It proved to even his peers that he had no support in Pakistan. We are not scared of fundamentalism either. It is only when there has been no open politics that, hiding under the skirts of martial law, the fundamentalists have gained some sort of control. But every time in elections, they have been thrashed."

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CSO: 4600/363

Dr Mubasshar Hasan (Finance minister under Bhutto and one of the founders of the PPP): "Benazir's absolutely unprecedented welcome is the decision of the overwhelming majority of Pakistan. Apparently, the masses resent Gen. Zia. They have put all their bets on Benazir, having chosen her above other opposition leaders. In a way, the people are paying a debt to Mr. Bhutto whom they loved. After his execution they realised he was killed because of them.

"The biggest similarity between Mr Bhutto and Benazir is that they are both devoted to the masses of Pakistan."

Jahangir Badr (President of the PPP, Punjab): "We have travelled over Punjab and the people have been very responsive. The masses want not just democracy, they want a revolution. Ours is not just a democratic struggle, we will bring about a revolution. Within the party, Benazir's leadership is unquestioned. We can do without the Pirzadas and Jatois."

General Tikka Khan (Secretary-general, PPP): "I have been thrown into politics because of Gen. Zia—because we don't believe in the referendum. It was the biggest fraud in the subcontinent. A whole lot of ex-military people are in the PPP. Benazir, at 33, is fully qualified to become the prime minister of the country. If in India a woman can rule, then why not in Pakistan? Those who think otherwise will be thrown out of the party."

PAKISTAN

1986 FEDERAL BUDGET PRESENTED TO ASSEMBLY

Finance Minister Speaks on Surplus Budget

Karachi BUSINESS RECORDER in English 30 May 86 pp 1, 3

[Article by Anwar Rajani]

[Text]

ISLAMABAD, May 29: The budget for the year 1986-87 presented before the National Assembly shows a surplus of Rs. 9 crore.

The budget has an outlay of Rs. 1,52,110 million with the original deficit of Rs. 7,320 million which rose to an actual deficit of Rs. 11,220 million after providing some relief in taxes and prices.

The Minister said that henceforth, industrial units operating on furnance oil will no longer remain at a disadvantage as compared with the units operating on natural gas.

After this relief, the Minister referred to the steps to net more revenue through the increase in charges of local telephone calls and inland and overseas postal rates details of which have been published separately by the Postal Department.

Increase in the overseas postal rates, the Minister said, will yield income of Rs. 170 million.

Giving an outline of the budget, he said that total receipts will amount to Rs. 1,44,790 million as against 152110 million thus leaving the deficit of Rs. 7,320 million.

Besides, the Minister said that reliefs and concessions given by him in the budget would entail an expenditure of Rs. 740 million, thus increasing the deficit to Rs. 10,220 million. To fulfil the guarantees by the government for loans provided by commercial banks to public sector units, an alloction of Rs. 1,000 million has been made. Therefore, he said, the actual deficit of the budget will amount to Rs. 11,220 million.

The Minister said that there will be some shortfall in the implementation of the annual development plan of Rs. 47,000 million. Thus the remaining deficit will get converted into a nominal surplus of Rs. 90 million.

The Finance Minister made it clear while saying, "to the extent the operational shortfall does not materialise, either extra resources will be made available our other expenditure will be reduced to that extent".

He declared, that in any case, three will be no recourse to bank borrowing. In short, there will no deficit financing next year, he added.

WATTOOS' SPEECH

In his speech the Finance Minister dealt at length with the budgetary proposals, revenues and their allocations. Following are some portions of Yasin Wattoo's speech.

It will be noted that expenditure during the next financial year will exceed receipt by Rs.732 crore. "Some proposals which I am going to submit before you will further widen the gap between resources and expenditure".

"Reducton in petroleum prices: It is proposed to reduce the prices of POL items as mentioned below: Prices of petrol reduced from

Budget Breakdown

Karachi BUSINESS RECORDER in English 30 May 86 pp 1, 2

[Text]

REVENUE
(Rs. in million)

(A) TAX REVENUE	**61194.6**
Taxes on Income and Wealth (Direct Taxes)	8667.6
Taxes on Commodities and Transactions (Indirect Taxes)	52527.0
(B) NON-TAX REVENUE	**44202.3**
Income from Property and Enterprise	18936.8
Receipts from Civil Admn. and Other Functions	4520.3
Miscellaneous (Surcharges etc.)	20745.2
(C) TOTAL GROSS REVENUE RECEIPTS (A+B)	**105396.9**
Less : Transfer to Provinces	12507.1
(D) NET FEDERAL REVENUE (1)	**92889.8**
2. CURRENT EXPENDITURE	**100371.8**
General Administration	4565.0
Defence	38618.8
Law and Order	1898.7
Community Services	1777.2
Social Services	3365.8
Economic Services	1126.6
Subsidies	7253.6
Debt Servicing, Investible Fund and Grants	31457.3
Unallocable	6.3
Non-Obligatory Grants to Provinces	10302.5
3. Surplus available for ADP Financing (1 minus 2)	**-7482.0**

CAPITAL	**1986-87 Budget**
(A) Internal Resources (1+2)	**18483.3**
1. Federal Government	14928.9
(i) Revenue Surplus	-7482.0
(ii) Net Capital Receipts	22410.9
(a) Capital Receipts	(28419.6)
(b) Capital Disbursement	(6008.7)
2. Self-Financing by Autonomous Bodies	3554.4
(B) External Resources	**25944.4**
(i) Project Aid	(12928.3)

	(ii) Non-Project Aid	(13016.1)
	Total (A+B)	44427.7
(C)	Development Expenditure (ADP)	47000.0
	(i) Federal	33716.8
	(a) Federal Government	(32216.8)
	(b) Special Development Programme for schemes identified by MNAs/Senators	(1500.0)
	(ii) Special Development Programme	1283.2
	(iii) Provincial ADPs	12000.0
(D)	Development Grants to Provinces for Education	4747.2
	Total (C+D)	51747.2
	GAP (A+B) – (C+D)	7319.5

Taxation Proposals Outlined

Karachi BUSINESS RECORDER in English 30 May 86 pp 1, 3

[Text]

Import of machinery by the engineerng industries would be totally free from Import Duty and Sales Tax throughout the country, with the exception of similar machinery which is locally produced and which would continue to enjoy the present tariff protection, said the Federal Finance Minister Mohammad Yasin Khan Wattoo in parliament yesterday.

In his budget speech Wattoo said that in order to boost investment in the engineering sector and encourage production of engineering goods in the country, the Federal Government has given major concessions which are the following:

- The CBR will issue a notification listing the machines which will be free from any import duty.
- Engineering industries established within the next three years would be free from any Income Tax for a period of five years from the date of production.
- Engineering industries could avail finances at the maximum rate of three per cent for purchase of local machinery and at 10 per cent for imported machinery.

APP adds: A major concession has been given in respect of import duty on plant and machinery which is not manufactured in Pakistan and is essential for industrial growth. The duty has been reduced from 40 per cent to 20 per cent. Different type of machinery including textile, printing, electric furnances and construction machinery will benefit from this concession.

A single rate of duty will be applied on the import of plant and machinery irrespective of the category of importer, whether commercial or industrial.

Import duty on essential industrial raw materials like copper ingots, aluminium, magnesiam, lead, zinc and tin has been reduced from the existing forty per cent ad valorem to 20 per cent.

Export compensatory rebate whereby a percentage of the export earnings was paid in cash has been withdrawn, in order to eliminate large number of irregularities and malpractices which had crept in the scheme.

PHONE CALLS

The minister announced upward revision of certain service charges. The local telephone call rate has been enhanced by ten paisas to 70 paisa per call. Sale price of postal envelop has been raised to 80 paisas, postal card 45 paisas, postal parcel to Rs. 5 per kg. Charge rate of other postal services have also been raised but current rates in the despatch of text books and newspapers would remain unchanged.

Significant steps have been announced to carry out major customs tariffs reforms. Existing 17 laws of customs duties have reduced to 10 though in actual practce it would come down to seven. These are 20, 40, 60, 80, 100, 125 and 150 per cent. This is meant to reduce the discretionary powers

of the customs officials besides making the system easy and simple to understand and administer.

A determined efforts has been made to check smuggling, and trade irregularities through financial measures by reducing customs duty on a number of items which are usually smuggled in the country. Thus import duties on motor vehicle spare parts, spark plugs, still camera films, electronic microcircuits, printed circuits, erasers, platinum crucibles, wrist watch bands, cameras, buttons and similar other articles have been reduced to varying degrees. Wattoo said that these changes would not only reduce incentive for smuggling but also help to raise revenues.

The Minister said that this tax reform will involve revenue sacrifice of the order of rupees two billion which would be met partly by saving the expenditure of government agencies on their imports to about Rs. 100 crores while about Rs. 50 crore would be earned on account of import duty on items which would now be imported through normal channels instead of being smuggled. There would thus no net revenue impact on customs receipts.

BAGGAGE RULES

Baggage rules for non-tourist passengers have been revised though all allowances on return from visit or stay abroad would remain intact.

Two changes have been made in this respect mainly to discourage professional carriers who misuse concessions. Firstly the existing concessionary rate of import duty on passengers baggage would now apply only to the accompanied baggage except for some seventeen or eighteen items for personal use. Import duty on the unaccompanied baggage would be charged at the normal satutory rates applicable to commercial imports.

Secondly the purchases made by the passengers from duty free shops within their allowances would be treated at par with the accompanied baggage. These charges will take effect from the 1st July, 1986. Wattoo hoped these two changes would discourage the professional carriers without inconvenience to a bonafide passenger.

Sales tax exemptions have been withdrawn from plastic bags and jute manufactures, while exemption would now be granted to four locally manufactured taxable items, namely natural honey, flavoured milk, malted milk and retreaded tyres.

Central excise duty which is largely collected from a few manufactured items such as cigarettes, sugar, cement, beverages, natural gas and petroleum products have been revised upwards on some of these items. Thus 10 per cent duty will be charged on television sets. Duty on bank cheques has been doubled to 40 paisas.

Rate of duty on perfumery, cosmetics and toilet preparations has been increased from 39 per cent to 50 per cent and the central excise duty structure has been rationalised in case of cigarettes which would increase price of medium quality cigarettes. These will yield additional central excise duty of about Rs. 51 crore.

The finance minister said various taxation measures would yield an additional income of rupees 336 crores.

Commentary Views Budget

Karachi BUSINESS RECORDER in English 30 May 86 p 2

[Commentary]

[Text]

The budget presented by Finance Minister Mian Mohammad Yasin Khan Wattoo seems to take care of all sections of the population and during his speech he took pains to go into details of how the budget proposals would benefit each section and sub-section of the population. This he had to do because the budget has been framed in the light of Prime Minister Junejo's five-point programme which by itself requires substantial monetary outlay and gigantic human effort. Besides, he is confronted with the complicated problems of striking a balance between necessary measures to correct balance of payment imbalances, to control inflation, to reduce debt liability and, simultaneously, stimulate investment and increase the pace of development and to satisfy not only the demands of our ever-growing population but those of our geo-political situation.

The two things that stand out are the proposals which deal with agriculture and the development of rural areas. If much more emphasis has been given to this sector, it is only natural because 72 per cent of our population dwells there and therein lies the very foundation of our national economy. There is a good deal for the industrialists which

should please them. Particular reference can be made to some happy changes in the machinery import duty and rationalisation of Sales Tax as also some other tax reforms, the most important being the removal of the condition of 20 per cent compulsory enhancement in the income under the self-assessment scheme.

Yet another thing that stands out is the attempt that has been made through this budget firstly, towards the development of human resource through education and, secondly, to divert the attention of the educated and technically qualified away from seeking jobs in government or other institutions and making self enterprise more attractive through availability of loans which could enable them to set their own businesses or service enterprises. This, in our view, is a very important step as traditionally engineers, doctors, architects, lawyers, name any class once they get their requisite qualifications, the boys and their parents try to seek government jobs or service in already well-established institutions. Pakistan can only achieve the status of a developed country if we inculcate in our young men the spirit of enterprise and for that the type of incentives that have been provided in the budget are the necessary first steps.

We would be failing in our duty if we do not point out that just balancing the budget is not enough for a country like Pakistan where the proverty level is shameful. To develop and to pull up the standard of living of our people, we must achieve economic surplus, for indefinite borrowin- either locally or from abroad only increases the burden and we cannot deny the fact that we do have a rapidly growing federal debt. The projections of GNP and the estimates about agricultural and industrial production, are at best mere projections and hopes. And, so are the revenue earnings. In a country like ours it is a proven fact that nature and the pricing policies of the major powers have a lot to do with our production and earnings.

While a detailed analysis of the budget will have to await a proper study, our first reaction to the budget is to pray to God that He may fulfil all the expectations of the framers of the budget and may the Junejo Government march successfully towards the achievement of the targets set in his five-point programme.

Budget Said 'Widely Hailed'

Karachi BUSINESS RECORDER in English 30 May 86 p 10

[Text]

The budget for 1986-87 announced by the Finance Minister Mian Mohammad Yasin Khan Wattoo has been widely hailed by all walks of life.

Yusuf Zia, Vice-President of Islamic Chamber of Commerce and Commodity Exchange and a former President FPCCI, has described the new budget for 1986-87 as a "socially oriented" budget and said that it will have healthy impact on trade and industry.

Commenting on the budget proposals as enunciated by Finance Minister Yasin Khan Wattoo in his budget speech last evening, Yusuf Zia said that the announcement of the Finance Minister that there will be no deficit financing as from next year, would augur well.

He expressed his satisfaction over the measures taken to curb smuggling.

He, however, pointed out that besides plus points there were minus points as well.

In this regard he referred to increase in the prices of post-card and postal envelope, and telephone call charges. These would have direct bearing on the economy of a common man, he pointed out.

POL PRICES

Yusuf Zia said that reduction in petroleum prices was negligible and in fact it was much disappointing to the common man. A reduction of Rs. one to Rs. 1.50 would have favourable impact on the increased cost of living of the common man.

Agha M. Ghouse, a noted economist, termed the national budget "as an attempt to consolidate the gains recorded by the economy during 1985-86".

He said that there had been a long-standing demand for free machinery import from import duties and Sales Tax and this has been done for engineering goods industry. "This will help diversification on Pakistan's exports, which have been stagnant in the recent year outside the cotton textiles sector".

FPCCI

Federation of Pakistan Chambers of Commerce and Industry today remained 'non-commital' and said the budget needed a "minute study".

After hearing the finance minister's speech the FPCCI members held a meeting this evening and later announced that the members have unanimously decided to remain "non-commital".

Dr. M. Uzair, an eminent economist of the country, said here tonight that for the first time the government has accepted the existing anamolies in the officials and tax-collecting agencies.

Commending the governmental moves, he said the government has tried to correct the existing anomalies through "administrative and procedural measures".

Citing the examples of income-tax, customs duty and other similar measures the Finance Minister has tried to "rationalize" the matter.

The Managing Director of M/S Union Biscuits, Karachi, Habib Ahmed, said that reduction in the rate of import duty on machinery would give a relief to industrialisation, but the abolition of export compensatory rebate would harm the interests of the exporting industry and long-term planning in the field of marketing adopted by the industries becuase of the introduction of the compensatory rebate just a year ago by the Finance Minister's announcement abolishing altogether the entire rebate schedule.

However, he said, the Finance Minister had found new roads to develop the country's economy and for that he deserved to be congratulated.

He further stated that the preferential rate of duty on machinery imported under the NRI is not very clear and it is required that when the tariff is published, it should be better clarified.

10 Percent Rise in Defense

Karachi BUSINESS RECORDER in English 30 May 86 p 1

[Text] Islamabad, 29 May--The defence allocation in the new national budget for the year 1986-87 announced by Finance Minister Yasin Khan Wattoo today shows an increase of Rs. 3491.6 million equivalent to 10 percent over the last year.

However, proportionate share for defence has gone down from 40.1 percent to 38.5 percent.

The total allocation for defence in the new year's budget amounts to Rs. 38618.8 million as against Rs. 35121.2 as provided in the last year's budget.

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CSO: 4600/364

PAKISTAN

SURVEY REPORTS ON ECONOMY, GDP GROWTH

Karachi BUSINESS RECORDER in English 28 May 86 pp 1, 10

[Article by Azhar Masood]

[Text]

ISLAMABAD, May 27: In 1985-86 Pakistan's GDP growth is estimated at 7.5 per cent, agriculture by 6.5 per cent, manufacturing by 8.2 per cent and a 35 per cent increase in value added mining. This was stated in the Economic Survey for 1985-86.

According to the survey there was remarkable price stability with net result that consumer prices dropped from 5.2 per cent to 7.3 per cent last year.

The survey says the current year was an year of exemplary economic performance. The rate of growth was surpassed in only two other years in the last two decades, the rate of inflation was one of the lowest in over a decade. After an year of severe financial stingency both the external and internal financial position exhibited strength. The government took significant steps to reform economic regulations and announced a measure programme for rural uplift and poverty alleviation to be started from the 1st of July next.

The low rate of inflation was due to moderate increases and even declines in the prices of food items and government action to stabilise prices by ensuring adequate supplies through imports of tea, edible oil, milk powder, petroleum products chemicals and wheat.

The government made special efforts to improve education, health, and nutrition and an integrated programme of rural development has been prepared. In the education sector, the literacy rate is 26 per cent. Progress in the health services has been faster then education. But much remains to be done. The nutritional status on an average is satisfactory as the national average carolary intake exceeds the minimum standard and there is no evidence of protein deficiency.

Under the programme for rural population special attention will be given to the provision of social infrastructure and employment opportunities. In physical terms 19,000 village will be electrified, about 1,200 km of rural roads will be built, almost 26 million people will be provided pure drinking water. And more than 1,000 basic and rural health centres will be established.

Referring to domestic finance, the survey says that upto March this year the government resorted to deficit financing of 2.2 billion rupees compared to 11.6 billion rupees last year. As far external finance is concerned, the position improved during the first nine months of the year. Export receipts are likely to rise by 18.8 per cent in dollar terms, remittance by overseas Pakistanis will improve by 5.1 per cent while imports are likely to fall marginally. The service is that during the first nine months of the fiscal year import prices of edible oil fell by 28.3 per cent, crude petroleum by 8.5 per cent and tea by 43.9 per cent. At the same time the export prices of cotton, cotton

conservation and exploration for new energy sources are being given high priority.

The survey says after 39 years of turbulent existence material prosperity has brought Pakistan to the threshold of becoming a middle income country. With a per capita income of Rs. 5,340 during the year and average family of 6.7 members with 1.8 earners per family enjoyed an average family income of Rs. 2,980 per month.

While this average conceals significant variations such evidence as exists suggests that the distribution of income is better than in many countries rich and poor of the world. According to the World Banks's figures Pakistan's per capital income of 390 dollars in 1983 was exceeded only by countries accounted for about 52.2 per cent of the world's population, while 45.9 per cent of the world population had a per capita income lower than Pakistan.

The survey says over the last eight years Pakistan's economy has exhibited strength in difficult international circumstances and a sustained increase in per capita income and living standards has been maintained.

The challenge of future growth lies in attending to domestic resource mobilisation, greater reliance on private initiative increase public sector efficiency and alleviation of poverty. The Prime Minister's five-point programme is designed to address just these issues. With collective efforts, there are good prospects for a bright economic future for Pakistan.

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CSO: 4600/363

yarn, tarpulain and synthetic textile registered considerable increased with the result the terms of trade deteriorated by 4.3 per cent.

AGRICULTURE

In the agriculture sector, growth rate is estimated at 6.5 per cent with bumper cotton crop of 7.1 million bales, 15.3 per cent increase in wheat production while there was a decline in the price and sugarcane production.

The manufacturing sector, has been growing for over three decades at an average annual rate of around eight per cent. However, it is continued to industries based on agricultural raw material with the result that its contribution to employment and exports has lagged behind in promoting growth.

INDUSTRY

The industrial policy statement of 1984 as defined a new strategy for industrialisation and a number of significant policy initiatives are underway to achieve its objectives. Industries are being deregulated, incentives rationalised ,private investment encouraged and new emphasis is being given to the promotion of small industries. The improved atmosphere has led to a 22 per cent average annual growth in private manufacturing investment.

With rapid industrialisation, improved agricultural technology and higher living standards energy demand has out paced the growth of energy supply leading to shortages, specially during winter regulating in load shedding. Demand,

PAKISTAN

PUBLIC SECTOR CORPORATIONS SAID TO MAKE BIG PROFITS

Karachi BUSINESS RECORDER in English 26 May 86 pp 1, 8

[Text]

ISLAMABAD, May 25: Seventy-six public sector corporations have reported a profit before tax of Rs. 6.1 billion in 1984-85 which is nearly double than that for the previous year, says the annual report of the government sponsored corporations released here today.

The report for the year 1984-85 published by the Economic Advisers Wing of the Ministry of Finance, maintains that the profit before tax earned by 76 corporations in 1984-85 stood at Rs. 6.1 billion compared to Rs. 1.6 billion in the previous year. The earning represented an 11.26 per cent before tax return on equity as compared to a return of 8.39 per cent in 1983-84.

The total after tax profit earned during 1984-85 was Rs. 3228.33 million, an 82.9 per cent improvement in absolute terms over 1983-84. However after tax return on equity remained low, the report adds.

DIVIDEND RATE

The dividend rate fell marginally from 6.3 per cent in 1983-84 to 5.8 per cent in 1984-85, as the corporations tended to retain a larger traction of their earnings.

Financial institutions, holding 66.5 per cent of the total assets, continued to make a major contribution to profitability: Their share in the pre-tax profits being 53.17 per cent. Net profit before tax and net profit after tax of the Specialised financial institutions and scheduled commercial banks grew by 28.28 and 30.68 per cent respectively.

The performance of non-financial institutions improved substantially during 1984-85. Aggregated profit before tax increased by 109.70 per cent to Rs. 2,851.75 million with an aggregated after tax profit of Rs. 699.77 million comparing very favourably to an after tax loss of Rs. 206.26 million in 1983-84. The sector with the largest single investment, manufacturing, performed relatively poorly with aggregated profits of only Rs. 125.14 million Pakistan Steel's loss of Rs. 1659.14 million over-shadowed the performance of other corporations.

Corporations engaged in oil and gas related activities remained profitable with the exception of the Oil and Gas Development Corporation (OGDC).

TOTAL ASSETS

On June 30, 1985 the total assets of government sponsored corporations was Rs. 443,408 million. Total profit before taxes and financial charges amounted to Rs. 25,529 million, a return of 5.8 per cent on assets.

The three most profitable companies in 1984-85 were the National Fertilizer Corporation (NFC), Habib Bank Ltd (HBL) and Pakistan International Airlines (PIA), with pre-tax profits of Rs. 1013.92 million, Rs. 827.75 million and Rs. 754.69 million respectively. The three biggest loss makers were: Pakistan Steel Mills Corporation (Pak Steel), Mechanised Construction Company (MCP) and National Construction Company (Pakistan) Ltd. (NCC), with losses of Rs. 1659.14 million, Rs. 584.60 million and Rs. 452.84 million respectively. Sixteen of the 76 corporations reviewed made losses during the year, not counting the loss making subsidiaries of profitable units.—APP.

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PAKISTAN

TELECOM. NICATIONS CONTRACT SAID AWARDED

Karachi BUSINESS RECORDER in English 26 May 86 p 1

[Text]

ISLAMABAD, May 25: The Government of Pakistan is believed to have awarded a contract worth nearly worth 150 million dollars to Siemens of Germany to set up digital telephone exchanges in the country, including delivery of complete equipment worth around 25 million dollars in the initial period.

The decision by the Government to opt for the German equipment was based on two primary factors, namely: The long association enjoyed by the Pakistan Telecommunication Department with Siemens dating back all the way to the Fifties and the offer of the West German Telecommunication Group to build another factory capable of producing digital telephone equipment, in a joint vneture with the Government of Pakistan, with equity participation. The final details and the total cost of the new factory have to be worked out. However, it is estimated that the factory will manufacture 100,000 local digital lines, 20,000 trunk or nation-wide dialling lines and 10,000 PABX lines a year, and is projected to attain 100 per cent design capacity by 1990. Siemens is reported to have displayed willingness to take an equity stake of between 30 to 49 per cent, at the Pakistan Government's option, in the proposed company.

Siemens already has a joint venture with the Government of Pakistan presently producing telephone sets and telex machines. Besides telecommunication, Siemens is making electric motors, transformers and diesel generators at their Karachi units.

The World Bank and the Asian Development Bank have committed nearly one billion dollars for updating and expanding the country's telecommunication system. The siemen's contract is the first of more than 30 proejcts envisaged to be funded under the loan programme.

It will take two years for construction of the new factory and in the meanwhile, Siemens will supply 50,000 local digital lines and 25,000 trunk or nation-wide dialling lines directly from West Germany for installation. The technical collaboration agreement also includes supply of components and spare parts for the next five years, in addition to research and development and establishing software centres.

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PAKISTAN

GOVERNMENT SAID COMMITTED TO BUILDING KALABAGH DAM

Karachi BUSINESS RECORDER in English 28 May 86 p 1

[Text]

ISLAMABAD, May 27: Despite political opposition it seems the government is firm to go ahead with its decision to construct 5,268 million Kalabagh Dam.

According to the economic survey the Kalabagh Dam is a gigantic project to be situated about 193 kilometres downstream of the Tarbella Dam, at Kalabagh, producing electricity and irrigating agricultural lands. It is scheduled to be commissioned by 1993. The height of the earthfill main dam would be 81 metres, and the live-storage capacity of the main reservoir would be about 7.6 million acre-feet. It is expected to generate 3600 mw of electricity. Initially its capacity would be eight units of 300 mw each, generating 11,000 kwh of energy annually. In addition it would allow an increase of over 500 kwh at Tarbela.

The project would cost approximately US dollars 5,268 million, US dollars 2,533 million in foreign exchange and US dollars 2,735 million in local currency, including US dollars 323 million in duties and taxes. Six per cent of the expenditure (US dollars 319 million) will be incurred in the sixth plan period: 71 per cent (US dollars 3,729 million) in the seventh plan period: 23 per cent (US dollars 1,220 million) in the eighth plan period.

The construction, beginning in 1987-88, is likely to affect 154,000 acres of land-89,360 (58 per cent) in the Punjab and 46,640 (42 per cent) in the NWFP. It will directly affect 41,722 people in the Punjab and 21,385 in the NWFP.

The first stage of WAPDA's plan for the project includes detailed engineering detailed design and preparation of tender documents for civil works. The third stage involves award of construction contracts preparation of tender documents and award of contracts for electro-mechanical equipment and for construction of the Kalabagh Dam power station.

APP adds: Feasibility strides of Kalabagh Dam have been completed and efforts are being made to start work on the project at the earliest, the Economic Survey released here today said.

The decision to build the dam will be undertaken by the federal government with the consultation of the provinces.

The survey said that another study has been completed on locating suitable hydropower sites with potiential of over 200 MW on the Indus river.

Two sites, Basha and Dasu with an estimated potiential of 2,500 MW and 2,700 MW, have also been earmarked to be developed after the Kalabagh Dam.

Small hydropower projects in the northern areas have also been under taken

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